NEWSPAPER OF THE YEAR

FINANCIAL TIMES

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Olympia & York names Chrysler man as president

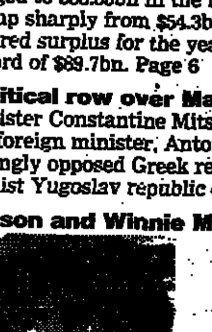
Olympia & York, the debt-laden property group, last night named former Chrysler vice-chairman Gerald Greenwald to take over as president and deputy chief executive. The company confirmed it had severed ties with Tom Johnson, who held the president's post for only two weeks.

The appointment came the day bankers voiced reservations about O&Y's plans to reschedule payments on US$5bn of its $12bn debt. Separately, bankers warned there could be conflict between two groups of lenders to O&Y's big London office development. Page 19; Profile, Page 22

Trade surplus soars: Japan's trade surplus surged to $88.35bn in the fiscal year to March 31, up sharply from $54.3bn in 1990-91. The customs-cleared surplus for the year was close to 1986's record of $89.7bn. Page 6

Political row over Macedonia: Greek prime minister Constantine Mitsotakis yesterday sacked his foreign minister, Antonis Samaras, who strongly opposed Greek recognition of the secessionist Yugoslav republic of Macedonia. Page 18

Nelson and Winnie Mandela part:



Nelson Mandela, 73, announced that his 33-year marriage to his wife, Winnie, is to end. He was visibly upset as he read a statement at the headquarters of his African National Congress in Johannesburg, saying: "My love for her remains undiminished". He denied that his separation from his wife was forced by fresh allegations that she was directly involved in killings in Soweto in 1989. Page 5

Princess seeks divorce Princess Anne, daughter of Britain's Queen Elizabeth, is seeking a divorce from Captain Mark Phillips. The couple, who married in 1973, have been separated for more than 2½ years.

Quake rocks Europe: People living near the Dutch-German border were jolted out of their beds by the strongest earthquake to hit the region since 1756. The quake, measuring 5.6 on the Richter scale, injured about three dozen people and an elderly Bonn woman died of a heart attack. Quake shuts German nuclear plant, Page 3

Etna's lava creeps onward: Concrete blocks dropped by helicopter failed to halt the flow of lava from Sicily's Mount Etna as its crept towards the village of Zafferana. The molten lava is moving at the rate of 4-5 metres an hour.

Sterling staged a post-election surge, moving off the bottom of the European exchange rate mechanism for the first time in five months. It also strengthened against the D-Mark, closing in London at DM2.9150 compared with an opening DM2.8988. Page 18

War crimes case: A Paris court threw out a case against Paul Touvier, who stood accused of atrocities during the Nazi occupation when he worked alongside German Gestapo chief Klaus Barbie. Touvier was arrested at a monastery in 1989 after a decades-long manhunt.

Peru plebiscite pledge: President Alberto Fujimori promised his de facto government would hold a referendum "within six months" as a prelude to returning Peru to constitutional rule. Fujimori shuns easy route, Page 4

Rover car workers have voted narrowly in favour of Japanese style work practices. The package marks one of the most far-reaching attempts by a non-Japanese carmaker in the UK to increase productivity and change work culture. Page 6

Bosnia truce fails: Fresh fighting flared in the former Yugoslav republic of Bosnia-Hercegovina despite a European Community-sponsored ceasefire which was to have come into effect at midnight on Sunday. War creates 100,000 refugees, Page 2

Aetna Life & Casualty, the biggest shareholder-owned insurer in the US, is negotiating with leveraged buyout specialist Kohlberg, Kravis Roberts over the sale of its American Re-Insurance subsidiary. Page 19

J P Morgan, New York-based banking group, improved first-quarter earnings by 10 per cent to $299m on strong growth in net interest income and buoyant corporate finance revenues. Page 19; Details, Page 27

London share service: With effect from today, highs and lows shown on the London Share Service pages and all the related statistical tables will be those attained in 1992 rather than 1991-92 as previously reported.

The Markets

STOCK INDICES		
FT-SE 100	2,591.0	(+18.4)
Yield	4.78	
FT-SE Eurotrack 100	1,153.23	(−2.51)
FT-A All Share	1,240.85	(+0.7%)
FT-A World Index	134.76	(-0.3%)
Nikkei	17,238.85	(−814.01)
New York:		
Dow Jones Ind Ave	3,268.90	(+14.53)
S&P Composite	405.11	(+0.82)
US CLOSING RATES		
Federal Funds:	3¾%	(2½%)
3-mo Treas Bills: Yld	3.882%	(3.7%)
Long Bond	101⅜	(101⅛)
Yield	7.854%	(7.86%)
LONDON MONEY		
3-mo Interbank	10⅜%	(10$\frac{7}{16}$%)
Liffe long gilt future:	Jun 98⅜	(Jun 98$\frac{13}{32}$)
NORTH SEA OIL (Argus)		
Brent 15-day (June)	$18.075	(18.95)
Gold		
New York Comex	$339.2	(341.1)
London	$341.0	(341.4)

STERLING		
New York:		
$	1.76235	(1.7655)
London:		
$	1.7615	(1.764)
DM	2.915	(2.885)
FFr	9.8875	(9.7825)
SFr	2.6875	(2.68)
Y	234.75	(234.25)
£ Index	91.7	(91.2)
DOLLAR		
New York:		
DM	1.6525	(1.6365)
FFr	5.5865	(5.54)
SFr	1.522	(1.507)
Y	133.045	(132.8)
London:		
DM	1.6545	(1.636)
FFr	5.6025	(5.646)
SFr	1.5255	(1.508)
Y	133.25	(132.85)
$ Index	64.8	(64.2)
Tokyo close Y 133.3		

Austria	Sch30	Hungary	Ft162	Malta	Lm0.50	S.Arabia	SR9.00		
Bahrain	Din1 000	Iceland	IKr180	Morocco	MDh11	Singapore	S$4.10		
Belgium	BFr60	India	Rs30	Neth	Fl 3.50	Spain	Pta200		
Cyprus	C£1.00	Indonesia	Rp3800	Nigeria	Naira20	Sweden	SKr14		
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00		
Denmark	DKr14	Italy	L2500	Oman	OR1.20	Thailand	Bht50		
Egypt	E£4.00	Jordan	JD1.20	Pakistan	Rs35	Tunisia	Din1.000		
Finland	FM10	Korea	Won 2500	Philippines	Pso45	Turkey	L8000		
France	FFr8.00	Kuwait	Fils.500	Poland	Zl 18,000	UAE	Dh9.00		
Germany	DM3.30	Lebanon	L£1,250	Portugal	Es190				
Greece	Dr250	Lux	LFr60	Qatar	QR10.00				

Russia's reforming government in grip of power struggle

By Leyla Boulton in Moscow

THE FATE of Russia's reformist government hung in the balance last night as its power struggle with the parliament reached its final stages.

Cabinet members stormed out of yesterday's session of the Congress of People's Deputies after Mr Ruslan Khasbulatov, the ambitious parliamentary Speaker, described the government as "kids who lost their nerve".

Mr Khasbulatov was taunting the government for its decision to quit unless deputies gave it a vote of confidence and withdrew demands for increased social spending, tax cuts, and a continuation of subsidies for the energy sector.

As ministers accused the Speaker of reneging on a compromise worked out with parliamentary leaders on Sunday, talks resumed behind the scenes to try to find a new agreement. Ministers also said Mr Khasbulatov was trying to torpedo a deal to keep the government in place.

"It was an attempt by the chairman to ruin an emerging compromise between the executive and legislative powers," said Mr Alexander Shokhin, a deputy prime minister.

The stakes are high should they fail. If the government carries out its threat – the resignation letter is lying on President Boris Yeltsin's desk – the country faces yet another political upheaval and a new set of economic promises. It would also face the possible withdrawal of a $24bn western aid package announced only two weeks ago.

Mr Jacques Attali, president of the European Bank for Reconstruction and Development, said the bank would halt all financial assistance to Russia if the reforms were postponed and sent a message to Moscow urging the government to press on.

A suspension of western aid would further alienate a public exhausted by political squabbling and the hardships of economic reforms already under way.

Having damaged Mr Yeltsin's standing, the conservative parliament, elected two years ago under an antiquated electoral system, could also find itself in a political vacuum.

In the absence of a developed parliamentary system with strong parties, it remains dependent on individual leaders such as Mr Yeltsin, who may choose to dissolve the parliament or go to the country with a referendum.

A furious Mr Yegor Gaidar, the first deputy prime minister, who has masterminded the economic reforms which the west is pledging to help, said: "We expected more responsibility from the deputies for the fate of the country."

In a four-page statement distributed to deputies, Mr Gaidar said their demands were mutually contradictory, hyper-inflationary and would cause the west to withdraw its promised assistance.

Although his presence has proved decisive in swaying rebellious deputies in the past, Mr Yeltsin stayed away from parliament yesterday.

He let it be known he would speak only at the end of the congress. This suggested that Mr Yeltsin is still anxious to avoid a confrontation with parliament if he can.

The pro-Yeltsin Moscow city administration, led by Mayor Gavriil Popov, announced it was ready to step down in solidarity with the cabinet.

Mr Sergei Filatov, first deputy chairman of the Congress, told deputies a resolution was being prepared that could break the deadlock by voicing political support for the reforms.

"Sometimes we approve things that are not very well thought out," Mr Filatov said of the surprise vote by Congress on Saturday to clip Yeltsin's powers. But ministers said the compromise draft, expected to be introduced on Tuesday, did not go far enough.

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EBRD threat, Page 2
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Neil Kinnock announces his resignation as leader of Britain's Labour party following its general election defeat. Page 7

UK insurers face £1bn claims after IRA bomb in London

By Financial Times reporters

BRITISH INSURERS, already incurring the worst losses in their history, could face claims of up to £1bn ($1.75bn) as a result of damage to the City of London from an Irish Republican Army car bomb on Friday night. Three people were killed and 91 were injured in the explosion.

Britain's leading five composite insurers, who reported pretax losses of more than £1.2bn in 1991 and £500m in 1990, will be among those hardest hit.

A total of 200 buildings in London's financial centre were damaged, with 100 badly affected.

The damage and associated losses amounted to up to £300m and the replacement of glass would take a month or more to complete. Business interruption losses, against which most companies insure themselves, will swell the total. Some London brokers believe overall claims could reach £1bn.

The Corporation of London, which governs the City, claimed victory in its battle to protect London's reputation as a world financial centre.

Within 60 hours of Friday's bomb, the corporation had contacted nearly all the 36 companies known to require temporary offices and helped to arrange relocation. Yesterday morning at 9.30 virtually all were operating.

Some companies hit by the bombing were able to trade out of new premises because duplicate computer records were stored away from main offices.

The Baltic Exchange, the shipping market whose headquarters was wrecked by the IRA bomb, pledged to restart market trading tomorrow in the Lloyd's of London building. It plans to reconstruct its ornate Edwardian building in its original style.

The exchange, which arranges most of the world's freight chartering and more than half of worldwide ship sales, was even able last night to publish its Baltic Freight Index, the futures index which is recognised worldwide as a barometer of the freight market.

Staff at James Capel, the securities house owned by Hongkong and Shanghai Bank, worked through the weekend to construct a replacement dealing

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Cathay order for Boeings boosts R-R

By Paul Betts in London and Simon Holberton in Hong Kong

CATHAY PACIFIC, the Hong Kong-based airline, placed firm orders yesterday for 11 Rolls-Royce-powered Boeing 777 widebody aircraft worth $1.7bn with options to acquire an additional 11 airliners which would take the order to some $3.4bn.

The deal is a significant boost for Rolls-Royce, currently engaged in a fierce competition against Pratt & Whitney and General Electric of the US for a large slice of the new Boeing 777 widebody market, and for Boeing, which is seeking to expand the customer base for its latest aircraft programme.

Rolls-Royce said the order for its heavy-thrust Trent engines to power the Cathay Pacific Boeing 777s was worth about $500m.

The order comes when the civil aviation industry is still struggling to recover from the slump caused by the recession and the Gulf war. Rolls-Royce has undergone widespread restructuring in the past two years with the loss of about 7,000 jobs throughout the group. But the latest deal is unlikely to have any impact on employment at Derby where Rolls-Royce produces its commercial aircraft engines.

Sir Ralph Robins, Rolls-Royce chief executive, said the company would continue to keep a firm grip on costs and productivity to maintain its competitive edge against its US rivals.

The UK engine maker powers the entire fleet of Cathay Pacific jets but Sir Ralph said his company had faced tough competition from Pratt & Whitney and GE.

The order is particularly important for Rolls-Royce because it has given the UK manufacturer a strong position in the market for heavy-thrust engines to power the new generation of widebody aircraft being developed by the main airliner manufacturers, including Boeing, Airbus and McDonnell Douglas. Rolls-Royce is investing about £400m ($688m) in developing the heavy-thrust Trent variant of its RB211 engine family.

Rolls-Royce lost last year to GE in the contest for a British Airways engine order for new Boeing 777s but the Cathay Pacific deal has given the UK manufacturer a 28 per cent share of the engine business of the 777.

Rolls-Royce has already won orders from Emirates, the Dubai airline, and Thai International Airways for its Trent engines to power 777 airliners. Sir Ralph indicated that the Cathay Pacific order could boost Rolls-Royce's prospects in the competition to supply the engines for 777 airliners already ordered by Japan Air Lines.

The order is the single largest announced by Cathay Pacific. The airline is acquiring the Boeing 777s to replace its fleet of older Boeing 747-200 and 747-300 four-engine jumbos. The first firm 777s will be delivered to the Hong Kong airline in 1996 and will extend to the end of 1998. If all options are exercised, deliveries would continue through 2000.

Boeing said the order brought to 99 the number of firm commitments for its 777 airliner with options for an additional 86 aircraft.

Cathay Pacific played an important part in the final configuration of the 777 programme which Boeing launched in October 1990. It was the Hong Kong airline that requested the 777 fuselage to be wider than originally planned to provide more passenger comfort and seating flexibility.

Mr David Gledhill, Cathay Pacific's chairman, said the order reflected the company's continued commitment and confidence in the future of Hong Kong.

Cathay Pacific is also among the airlines discussing with airframe manufacturers the development of a new ultra large 600-800-seat aircraft. Demand for a super jumbo is expected to be particularly strong in the Asia-Pacific region towards the end of this century.

Hanson sells Ever Ready of Britain to Ralston Purina

By Roland Rudd in London and Nikki Tait in New York

HANSON, the Anglo-US conglomerate, has sold Ever Ready, the UK dry cell battery manufacturer, for £132m ($227m) to Ralston Purina, the diversified US-based food group.

The move was described yesterday by one of Hanson's financial advisers as a "tidying-up exercise" before making a larger acquisition.

Ralston's purchase of Ever Ready, a brand it already owns in most countries outside the UK, confirms it as the world's largest manufacturer of dry cell batteries, adding annual sales of about $154.1m to the $1.6bn which its existing battery division reported for the year to September 30.

One of Hanson's financial adviser said: "This is a tidying up exercise aimed at providing the group with more cash to enable it to pounce on the next big target. I think Hanson will now look to sell its 2.8 per cent shareholding in ICI before making its expected big acquisition."

In the long-running debate over Hanson's ability to run companies, the group's actions at Ever Ready have given ammunition to supporters and critics alike.

When Hanson bought Berec (which included Ever Ready) in 1981 its profits had declined to a third of their 1970s peak, partly because it had had missed the shift to alkaline batteries.

Hanson ruthlessly cut costs and sold assets, including most of the European operations to Duracell, its US competitor. The disposals realised half the purchase price of £95m. Operating profits rebounded to a peak of £23.4m in 1989 but fell back to £18.5m in 1991 on sales of £87.1m.

But Hanson came to realise during the late 1980s that Ever Ready could only flourish as a multinational business. Mr Martin Taylor, vice-chairman, said yesterday the group had examined buying Duracell, the Connecticut-based battery manufacturer, from Kohlberg Kravis Roberts, the Wall Street firm which had taken it private in a 1988 leveraged buyout. Ralston had bought Eveready, the US-based bearer of the famous brand name, from Union Carbide for $1.4bn. Hanson has since had talks about buying the business from Ralston but to no avail.

Ralston Purina, whose market share in UK was previously around 3 per cent, claims that its purchase of Ever Ready from Hanson "fills a major gap" in its geographical coverage. Its share of the $3bn US market is roughly equivalent to that of Duracell, its major rival, but Ralston has steadily enhancing its European presence.

It bought France's Cofinea – which controls the Mazda and Wonder brands – in 1988, and the Spanish Tudor brand in January this year. Ralston claims that, after the Hanson deal, it leads the European market.

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CONTENTS

War in Bosnia displaces over 100,000 people

By Laura Silber in Belgrade

AT LEAST 100,000 people have been displaced by the fighting in Bosnia-Hercegovina, the newly independent republic, adding to the 1m people who fled the war in Croatia.

The flight continued yesterday as fresh clashes were reported in Sarajevo, the Bosnian capital, and other towns in the republic, despite the ceasefire agreed on Sunday among the leaders of Bosnia's 4.4m Moslems, Serbs and Croats.

Radio Sarajevo said the federal army had reported 11 violations of the most recent European Community-sponsored truce by mid-morning. Heavy fighting was reported on the outskirts of Sarajevo, in Foca, a predominantly Moslem town in south-eastern Bosnia, and in Bosanski Brod, in the north.

Ms Judith Kumin, the Belgrade representative of the United Nations High Commissioner on Refugees (UNHCR), said that although it was difficult to get a precise figure, she estimated that at least 100,000 people had fled strife-torn towns in Bosnia. Some had escaped to other existing or former Yugoslav republics, while others were still in Bosnia, sheltering away from the trouble spots.

The UNHCR, the Red Cross and other international organisations are all trying to cope with the thousands of refugees who fled their homes. Encouragingly, relief workers tell of communities making great sacrifices in order to give shelter to refugees despite the fact that they are in a difficult economic situation and have already taken in thousands of people from Croatia.

Aid workers trying to deliver food and medical supplies are confronted by gunmen at road blocks around many towns. Ms Kumin said: "The biggest problem is transportation. It is very expensive to get lorry drivers to go into Bosnia while there is fighting. They insist on UN escorts which makes the cost even higher".

Moslems and Serbs, escaping last week across the River Drina into Serbia, walked together carrying plastic bags containing their belongings. They all appeared to blame the nationalist politicians for the collapse of their lives.

Serbs demand private banks return their cash

CROWDS in Belgrade, the Serbian and Yugoslav federal capital, yesterday demanded the return of their savings from private banks whose licences have been revoked by the National Bank of Yugoslavia (NBY), writes Laura Silber.

Many people deposited their life savings with Dafiment and Jugoskandik, private banks in Serbia, in order to receive interest rates up to 10 times higher than the official rate on foreign currency deposits. But the NBY revoked the licences of the banks, which were opened last year, saying they should not have been permitted to operate at all. A western economist said the closure appears to result from a conflict between the National Bank of Serbia and the NBY. He said that the two private banks would most likely continue to operate, buying up hard currency to the benefit of the Serbian National Bank.

This most recent financial scandal is part of the overall deterioration of the Serbian economy. Inflation has hit a monthly rate of 60 per cent and industrial production has fallen by more than 30 per cent. The rising price of hard currency has helped to boost the black market.

Italian railways get tough on strikers

By Robert Graham in Rome

THE management of Italy's loss-making state railways, FS, has carried out a threat to deny pay increases to employees responsible for unauthorised industrial action.

The threat had its desired effect of limiting the number of engine drivers who carried out a 24-hour strike over the weekend.

This tough stance by Mr Lorenzo Necci, head of the FS, may mark a watershed in industrial relations in sensitive sectors such as transportation, where workers have traditionally been able to hold the public and employers to ransom. Mr Necci was brought in almost two years ago to run the FS on an emergency basis.

To limit the impact of transport strikes on the public, the government has increasingly invoked new powers, introduced in July 1990, to enforce minimum services; but this is the first occasion when strikers have been penalised through the pay packet. According to the FS at least 60 per cent of the trains were able to run normally.

The strike was called by a rebel drivers union which refused to accept a wage and work conditions contract negotiated for all railway employees by the three main trades union confederations. The latter have backed Mr Necci's action.

The rebel train drivers want higher wage packets than those already negotiated on their behalf and fear a deal behind their backs to introduce single driver trains.

Facing cuts in government funding of the railways and under pressure to raise productivity and achieve profitability, the FS management has little option but dig in its heels. The FS has accumulated debts approaching L50,000bn. (£23.25bn). Losses last year were L3,625bn despite total state transfers of over L12,000bn.The main problems faced by Mr Necci are an inflated payroll, the lowest passenger fares in Europe and uncompetitive freight business.

Jacques Attali ties bank's assistance to continuance of economic reforms

EBRD threatens to stop help for Russia

By Judy Dempsey in Budapest

EBRD

THE European Bank for Reconstruction and Development will halt all financial help to Russia if economic reforms are postponed, Mr Jacques Attali, the EBRD president, said yesterday in Budapest.

Speaking at the bank's first annual meeting, he said western assistance should go only to those governments "able to demonstrate that they have embarked upon the right road to reform. It is to be hoped that the political conditions in Russia will be such as to allow resources to be released."

The opening session of the meeting was also marked by further disagreement between the US and the EBRD over the scope of the bank's activities.

In referring to western help for Russia, Mr Attali had in mind the $18bn – in addition to the $6bn earmarked for a stabilisation fund – recently announced by the Group of Seven industrial countries. "But we would halt all our operations too," he said. The EBRD has so far backed two loans to the former Soviet Union, which total Ecu28.8m ($35.43m).

Even if Russia kept to the reform path, Mr Attali warned that all the countries of the former Soviet Union, and of eastern Europe, required extra financial help totalling Ecu4,000bn from the west.

He said this would help ensure the region's balance of payments requirements, finance the privatisation of viable enterprises, boost export industries, convert the defence industry, and improve safety at nuclear power stations.

EBRD economists have estimated that, during 1992, the balance of payments requirements for eastern Europe alone total Ecu15bn.

The conversion of the old military sector is a key illustration of the disagreement between the US and EBRD over the bank's role. Mr Nicholas Brady, US treasury secretary, told the meeting that the EBRD should "not diffuse its mission" by moving away from its original mandate which stipulates that the bank commit 60 per cent of its financing to the private sector. It should not diversify away from privatisation by, for example, recapitalising state-owned enterprises.

Mr Attali yesterday proposed setting up a special restructuring facility aimed at converting the military-industrial sector in the former Soviet Union (which directly, and indirectly, employs 12m) and at restructuring the Russian nuclear power industry.

Many EBRD member countries see the need for some form of soft loans for these industries, but the US remains opposed. The bank's board agreed to look into the proposal, in a move to avoid further dispute.

Mr Brady, who later flew to Moscow, said: "We are not convinced of the need [for the bank] to branch into new restructuring operations involving major policy changes that detract from the bank's main mission. "The EBRD cannot cover the entire range of needs; it cannot be all things to all people; it cannot hope to cover all sectors, both private and public, in all countries."

● Germany and the former Soviet republic of Georgia set up diplomatic ties yesterday during a visit by Mr Hans-Dietrich Genscher, the German foreign minister, local journalists said, Reuter reports.

The agreement was a diplomatic coup for the new chairman of Georgia's ruling state council, Mr Eduard Shevardnadze, the former Soviet foreign minister, who is trying to build diplomatic bridges with foreign states and attract western business. Germany will be the first western nation to open an embassy in Georgia and will provide humanitarian aid.

EBRD projects to finance eastern Europe's most promising industries are becoming entangled in west European anxiety about trade competition, writes Nicholas Denton. Mr Ronald Freeman, vice-president of the EBRD's merchant banking arm, yesterday named food, textiles, steel and cars as the areas with the most immediate potential for restructuring and privatisation. But the EBRD had to tread warily in precisely these sensitive industrial areas because they were "hot buttons in Brussels", he said.

The EBRD's caution comes in the wake of political controversy surrounding the bank's Ecu61.4m £44m ($75.7) loan to General Motors' new Hungarian car and engine plant, which Mr Freeman confirmed yesterday. The loan fell subject to an investigation by the European Community following objections by France that tax concessions granted to the plant encouraged unfair competition. EBRD merchant bankers said they were surprised by the politicisation of the credit decision and that the dispute, although resolved, served as a warning.

The pressure exercised by western member countries raised doubts about the independence of the EBRD and its ability to make credit and investment decisions on primarily commercial criteria which its charter stipulates.

Mr Jacques Attali, the EBRD's president, yesterday launched a broader attack on EC hypocrisy in protesting about support to eastern Europe and at the same time blocking imports. He was scathing about the EC's recent association agreements Poland, Czechoslovakia and Hungary, which he said denied access for nearly half the three countries' products.

Moscow aims for foreign investment

By John Lloyd in Moscow

FOREIGN investment will be encouraged under a programme spelling out the conditions for privatising most of Russia's vast state property holdings. The programme also gives extensive privileges to workers in the enterprises being privatised, but tries to end the process of "spontaneous" privatisation, under which enterprises are transferred to their workforces without government permission.

The plan, thrashed out over the first months of this year, is now ready for adoption by the government and signing by President Boris Yeltsin. But the efforts of the Russian Congress to derail economic reform are delaying progress.

The aim of the programme is to cut through the various laws governing privatisation and enterprises by setting out practical steps to be taken by authorities at all levels.

There will be no restraints on foreigners buying privatised property in most industrial sectors – including electronics, engineering, construction, textiles and others. In the most lucrative fields – oil and gas enterprises, gold and diamond production and the high-technology defence sector which accounts for much of the civilian electronics output as well – a licence will be required from the Committee for Foreign Investments.

Foreigners can also take part in auctions to buy shops and small businesses employing fewer than 200 people and with assets of under Rbs1m, but only with the permission of the local authorities. Open auctions of small businesses are now going on in Nizhny Novgorod, Russia's third biggest city, though no foreigners are participating so far.

The programme says transactions must be made in roubles; it does not say at what rate, but that the roubles used shall be "taken from special accounts". The Russian government and central bank are discussing setting a special rate much higher than the official Rbs100 to the dollar to stop foreigners buying assets at rock bottom prices.

Ministers and officials working on the privatisation proposals are aware of public hostility both to privatisation as a whole and to selling assets to foreigners. However, they want as few restrictions as possible in order to draw in foreign capital desperately needed to renew infrastructure and upgrade production machinery.

Goldman Sachs, the US merchant bank, has been hired to help the government identify projects and sectors most promising for foreign investment. Officials have stressed that they want to simplify and speed up investment procedures as far as possible. This will partly involve re-establishing the authority of the central government in order to cut through the layers of local and regional bureaucracy.

The programme lays out two options for sweetening the pain of job losses involved in privatisation: workers could either receive 25 per cent of non-voting shares in the enterprise while buying 10 per cent of the voting shares at a hefty discount, or they could be given the right to buy up to 51 per cent of the share capital of the enterprise. The workers could then sell on these shares without restrictions.

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Red Army Faction ends its war

By Christopher Parkes in Bonn

The Red Army Faction (RAF), Germany's much-feared urban terrorist group, claimed yesterday it was giving up violence in its 20-year-old war on the west German establishment.

"We have decided to withdraw from the escalation. That means we will now stop attacks on leading representatives of business and state," the RAF said in a letter delivered to the Bonn office of the French news agency, Agence France-Presse.

The offer of peace came just over a year after an RAF sniper shot dead Mr Detlev Rohwedder, president of the Treuhand privatisation agency, through a window at his home in Düsseldorf. In July 1990, Mr Hans Neusel, responsible for security in the interior ministry, narrowly escaped a bomb attack. A year earlier, Mr Alfred Herrhausen, chief executive of Deutsche Bank, was killed by a car bomb on his way to work.

The letter, which officials said bore the hallmarks of earlier "official" communications, added that the RAF felt it necessary to think over where it had gone wrong. Violence had weakened rather than strengthened its political support.

Mr Klaus Kinkel, justice minister, said it was "heartening and hopeful that the RAF for the first time wants to turn away from violence". The government was ready for reconciliation within certain constraints.

It is not certain, however, that the authorities would be prepared to go as far as freeing imprisoned members of the RAF, as demanded in the letter. The note warned that violence would resume if the state "does not allow us, fighting for a humane society, to live".

Security officials were guarded in their response, since there was no way of knowing if the letter represented the views of all members of the organisation.

The RAF, committed to an "armed struggle against imperialism" and mobilising the masses for revolution, is a shadowy extreme left-wing movement modelled on Latin American urban guerrilla groups.

Rooted in the Baader-Meinhoff group, formed after the student revolts of the late 1960s, its philosophies seem to have lost any appeal they might have had to youth disenchanted with the capitalist system.

During the late 1980s, several members decided to leave the group and went to the former East Germany, helped by the Stasi security police. They have since been returned to the west German authorities.

Attempts to save the village of Zafferana from volcanic lava advancing down Sicily's Mount Etna – above – suffered a setback yesterday when concrete blocks lowered from helicopters failed to stem the tide

Post-communist job market devastated by economic realities

East German workforce slashed

By Christopher Parkes in Bonn

AT the end of 1989, when it was still widely rated to be among the world's top 10 economies, the *German Democratic* Republic boasted a workforce of almost 10m. Since unification with the west in October, 1990, that number has shrunk to 6m and some 1.4m of those are officially unemployed. At least 1m more are on short-time, or labour in work creation schemes paid for out of the federal budget.

Unleashing market forces has worked to devastating effect on the basic inefficiencies of the old command economy. And there the process has all but stopped.

"So far massive transfers and support measures have failed to spark the expected powerful, self-supporting, recovery process," west Germany's five leading economic institutes reported yesterday. In the first overall independent view of conditions in the east, the *institutes accept the con*ventional view that the bottom has been reached – after a 14 per cent fall in output in 1990 and a 30 per cent nose-dive last year.

But they also underline the weaknesses of the new foundations. The number of new company registrations has fallen from 25,000 a month at the end of 1990 to around 20,000 now. Company failures, meanwhile, have risen from 6,000 to 10,000 a month. Net growth in the number of independent businesses slowed to 1.5 per cent in the first quarter of this year. Less than 60 per cent of newly-registered companies are actually doing business, the institutes said in their spring review, presented to the government yesterday.

The Treuhand, the agency responsible for privatisation of former state holdings, is given credit for its successes so far. Chopping up large combines *into smaller units has resulted* in a sixth of all sales so far being made to management buy-out teams. Increased marketing efforts outside Germany led to 74 companies being sold to foreigners in January and February, compared with 248 in the whole of last year.

However, the agency still has around 6,000 businesses to dispose of, and, according to the report, the sale of up to 90 per cent of these is blocked by uncertainty over their ownership. While attempts are being *made to speed up processing* claims from people dispossessed by the Nazis and, later, the communists, the report stresses that shortages of expert manpower are still hampering progress. So far, only 5 per cent of the 2m claims put in for companies, land and buildings have been cleared.

Meanwhile, the death toll mounts. By the end of last year Treuhand had closed 983 hope*less-case businesses. Another* 1,000 are scheduled for the axe this year.

Builders, aggregate and cement makers, suppliers of reinforcing steel and construction equipment, have all benefited from the rebuilding boom which will be largely responsible for this year's expected 10.5 per cent increase in east German economic output. But the institutes report either no improvement or deterioration in other once-vital industries such as iron production, foundries, precision engineering and textiles. "Overall, the manufacturing sector ... still faces serious adaptation problems," they say.

But if the east faces "adaptation" difficulties, so too does the west. As the institutes make clear, pay and public spending in the old west Germany cannot continue to rise without stark consequences: first for recovery in the east *and ultimately for the country* as a whole.

Of the DM155bn (£54.30bn) in financial transfers from the west's public purse this year, just DM2.5bn will come directly from the coffers of the individual states. According to the institutes, federal spending should be frozen in real terms, local authorities over-stepping the mark must be reined in with "fines". Tax cuts and *other fiscal concessions should* by paid for by savings elsewhere. People in the west must expect less real pay. Those in the east must disregard member-hungry western unions which just after unification negotiated deals promising most of them wage parity by the end of 1994.

GERMAN ECONOMIC INDICATORS

	West Germany			East Germany			Federal Republic		
Years	90	91	92*	90	91	92*	90	91	92*
GDP (% change)**	4.5	3.1	1.0	-14.4	-30.3	10.5	2.7	0.1	1.5
Workforce (m)	28.4	29.1	29.4	8.8	7.1	6.1	37.2	36.3	35.5
Jobless (m)	1.8	1.6	1.7	0.2	0.9	1.3	2.1	2.6	3.1
Prices (% rise)	2.6	3.6	3.75	0.2	13.6	12.0	2.3	4.7	5.0

*Forecasts **1985 prices

Earthquake shuts German nuclear plant

A REACTOR block in the Biblis nuclear power station in the state of Hesse was closed "as a security precaution" yesterday after an earthquake before dawn shook a huge area *around the Dutch-German* border, writes Christopher Parkes.

Widespread damage and panic was reported after the 15-second shock. Unusually powerful for western Europe, it measured 5.5 on the Richter scale.

Although the Biblis reactor was believed not to be severely damaged, many houses in the area around the epicentre, Roermond in The Netherlands, were expected to be declared unsafe and demolished.

Reports of injuries, mainly caused by falling masonry and roof tiles to people running out into the streets, suggested around 50 people had been hurt. One elderly woman in Bonn was reported to have died of a heart attack.

Brussels to launch £609m programme to boost HDTV

By Andrew Hill in Brussels

THE European Commission is today expected to approve an Ecu850m (£609m) action plan to encourage European wide-*screen television services, the* first step towards full high-definition television (HDTV).

Mr Filippo Maria Pandolfi, the telecommunications commissioner, and Mr Jean Dondelinger, responsible for audio-visual affairs, aim to persuade commissioners that broadcasters, satellite operators and manufacturers need financial incentives if they are to back wide-screen television.

Final approval of the five-year financial package will be up to member states. Telecommunications ministers have *already decided on a liberal* strategy to meet the challenge of US and Japanese competition.

Last year they agreed on a compulsory EC transmission standard for new satellite TV services - tied to a wide-screen format - but safeguarded existing services broadcast in other standards.

About a quarter of the Ecu850m incentive money would be earmarked for programme-makers, and the rest would help develop the technology.

Officials said the cash would not involve direct manufacturing subsidies, and would be weighted towards the beginning of the five-year period.

The Commission and industry representatives are still negotiating a parallel industrial strategy, based on a legally-binding memorandum of understanding.

Spanish inflation rises in March

Spain's 0.4 per cent rise in the consumer price index (CPI) for March was better than expected and could pave the way for easier interest rates but the government will be hard-pressed to meet its 5 per cent target for the year, economists said, Reuters reports from Madrid.

The March rise gave a year-on-year rise of 6.9 per cent, up on February's 6.8 per cent. Many analysts had expected this rate to accelerate to 7 per cent with a month's rise of 0.5 to 0.7 per cent.

The figure was additionally positive because it included the annual adjustment for government-controlled rents.

NEWS: AMERICA

Brown outlines his terms for election support

By Jurek Martin, US Editor, in Washington

MR Jerry Brown, former governor of California, yesterday denied he was ready to endorse the presidential candidacy of Mr Bill Clinton, the favourite for the Democratic party's presidential nomination.

Over the weekend Mr Brown repeated what he said immediately after last Tuesday's New York primary election – that he would offer his support to the nominee. This was interpreted as an implicit recognition that he could not catch Mr Clinton in the remaining primaries.

However, he is now attaching terms to that support, specifically acceptance of strict limits on financial support – Mr Brown only takes sums of up to $100 from individual contributors – and agreement to work for the populist initiative limiting the terms of elected officials.

He added he did not think the governor of Arkansas would win the nomination. "The latest polls show him slipping precipitously behind President Bush," he said. "We're going to fight for a fair and open convention."

Mr Clinton returned to the campaign trail after taking a rest ordered by his doctors to relieve an overworked voice. He did so comforted by news from the latest Virginia caucuses, which showed him winning more than half the state's delegates compared to about a third for an uncommitted slate and only 15 per cent for Mr Brown.

He also continued to pick up useful endorsements from, among others, Congressman Richard Gephardt of Missouri, who ran for the nomination in 1988, and Governor Jay Rockefeller of West Virginia, considered a possible candidate this year.

Both men have been mentioned as possible alternatives to Mr Clinton in the event of a brokered convention in New York in July.

Meanwhile, Mr Paul Tsongas, repeating that he will not release the 528 delegates he has already won and any more he gets in the future, said he still wanted the party to take on board his "fiscally responsible" economic policies. He hinted he might launch a bipartisan initiative to this end with Senator Warren Rudman, the New Hampshire Republican who announced his resignation last month and complained of Washington's inability to deal with the budget deficit.
in office.

US gene research supremo resigns

By Danny Green

SUPPORTERS of controversial efforts to patent human genes won a victory at the weekend with the resignation of Mr James Watson as head of the US government's human gene research project.

Mr Watson, a Nobel prize winner for his part in discovering the DNA double helix, is an outspoken opponent of recent attempts to patent pieces of human genes.

The issue has divided scientific communities in the US, Japan and Europe which are mapping all 100,000 genes in the human body. At stake is the potential for billions of dollars of revenue from buyers of genetic information, such as drug companies

Mr Watson was director of the Human Genome Project, the Washington-based federal research organisation. The project is part of the National Institute of Health (NIH), the US federal agency which is spending more than $150m (£87.2m) a year on the 20-year programme. The EC and Japan are each putting in about one fifth as much again into the same project at local research establishments.

Mr Watson's resignation comes at the same time as an inquiry by the NIH ethics officer into a potential conflict of interest because of his shareholdings in biotechnology companies. However, many fellow scientists believe he left because of policy differences with Ms Bernadine Healy, who became director of the NIH last year.

Mr Watson handed in his resignation on Friday saying it would allow Ms Healy "to appoint her own director" of the Genome project.

The debate over the patenting of human genes reached a head last summer after a US laboratory filed 347 patents for pieces of human DNA. The filings were done under the auspices of the NIH.

"Virtually all scientists have opposed this," said Sir Walter Bodmer, president of Human Genome Organisation.

Futures trading in Chicago stopped by flood

By Barbara Durr in Chicago

A FLOOD halted trading at Chicago's two futures markets yesterday and thousands of office workers had to be moved out. The reason for the flood was not immediately confirmed, but it was thought construction workers may have accidentally broken through a tunnel under the Chicago River. The river, which flows through the city centre, poured into pedestrian subways and the underground rail system, cutting off power supplies and flooding offices.

Electricity was cut off in about a third of the city's business section known as the Loop. The mass transit system was paralysed in the centre of town and the City Hall was flooded.

Officials said a construction crew may have punched a hole in a passageway of Chicago's nearly century-old 50-mile tunnel system. Water was rising at about two feet an hour, they said.

Trading was halted at the Chicago Board of Trade and the Chicago Mercantile Exchange, the world's two largest futures markets, and city officials called for an evacuation of the entire Loop area.

The Army Corps of Engineers and emergency crews were trying to halt the flow. Officials said they hoped to close locks leading into Lake Michigan to lower the river level. Officials said it was unclear how quickly the floods could be cleared.

The city's tunnel system is used both for subway transit systems and pedestrian passageways connecting buildings. The pedestrian tunnels are used by many office workers as Chicago's notoriously inclement weather makes walking above ground unpleasant.

The Chicago Board Options Exchange, the largest US options exchange, managed to remain open throughout the morning.

Fujimori shuns easy route for revolution

Peru's president faces a tough task despite his absolute powers, writes Leslie Crawford

PRESIDENT Alberto Fujimori's overthrow of democracy in Peru last week was not just another textbook Latin American coup.

First, Mr Fujimori is not a puppet of power-hungry generals. It is becoming clear he plotted for months with an inner circle of advisers before striking down Congress and the judiciary on April 5. "This was a palace decision, with the military brought in at the last moment," an ambassador in Lima says.

Secondly, the coup was bloodless and there were only a handful of arrests. Press censorship was lifted after 48 hours. The president is basking in opinion polls giving him more than 70 per cent support, and few Peruvians appear to be mourning democracy's demise.

Yet the events in Peru pose a moral and policy dilemma for an international community contemplating sanctions against Mr Fujimori's military-backed dictatorship.

No one could fault his stated objectives: to rid his country of terrorism, drug trafficking and corruption. What is open to question is whether Mr Fujimori, as he claims, had no option but to shut down Congress and the judiciary and whether he can succeed in his aims, having taken absolute power.

The Organisation of American States (OAS), which met yesterday in Washington, hopes to turn back the clock by sending a diplomatic mission to Lima to reconcile Mr Fujimori and the disbanded Congress. The mission is unlikely to succeed, but it will buy time for the US as it weighs the political costs of isolating Peru and withdrawing its anti-narcotics agents and military advisers.

MR James Baker, US secretary of state, yesterday warned President Alberto Fujimori of Peru that the US would not accept the destruction of democracy in his country, but stopped short of recommending economic sanctions, writes George Graham in Washington.

"The US understands the difficulties that Peru has faced and is facing; both the economic difficulties and the security difficulties. But having said that, I think we have to recognise that you do not destroy democracy in order to save it," Mr Baker said.

He was speaking ahead of a meeting in Washington of the Organisation of American States to discuss what action to take over Mr Fujimori's decision last week to suspend Peru's constitution.

The OAS was expected to hear both Mr Augusto Blacker Miller, Peru's foreign minister representing the Fujimori government, and vice-president Maximo San Roman, who has joined the opposition to the president.

The hiatus will also give Mr Fujimori a breathing space in which to persuade creditor nations, the International Monetary Fund and World Bank that his "emergency government" is merely temporary. He will be sending Mr Carlos Boloña, his finance minister, and other members of his cabinet on a world tour to plead for resumed aid flows, which are pivotal to the economic stabilisation programme.

Many doubt whether Mr Fujimori will stick to his two-year timetable for the restoration of democracy. "Fujimori planned this coup almost from the day he was elected," says an intelligence officer close to the president. "It will be more like 18 years before he relinquishes power."

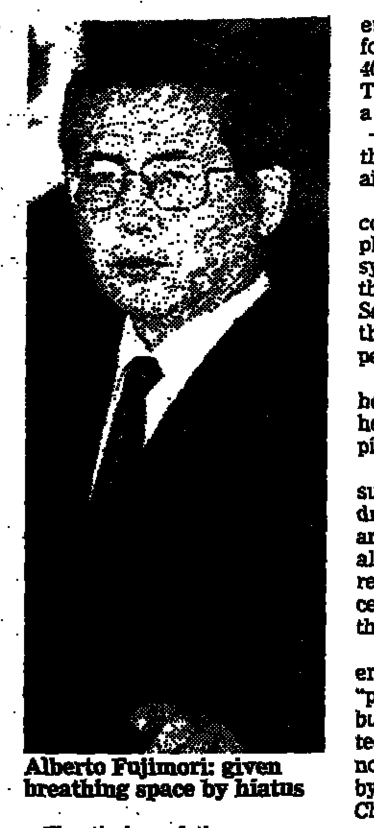
The president owes little to the political class he has overthrown or to the business establishment now trying to win his favour. He is an outsider, the son of Japanese immigrants whose rallying call of "austerity, probity and sacrifice" struck a chord with millions of Peruvians desperate for change.

The coup was forged with a campaign to discredit judges and politicians. In this the president needed little help; most Peruvians already believed judges to be corrupt and Congress irrelevant. He then nurtured the armed forces, promoting officers loyal to him and raising salaries.

"Fujimori then deliberately engineered a crisis with Congress," says Mrs Lourdes Flores, a deputy of the conservative Popular Christian party. "He refused to negotiate draft laws with the opposition and, lacking a majority in parliament, took every amendment as a personal insult."

The president accused Congress of busting the 1992 budget and sabotaging his economic reforms. In fact the Conservatives and the left offered little effective opposition to reforms.

"How can a president who issued more than 53,000 norms and decrees in 22 months accuse Congress of obstruction?" asks Mrs Flores.



Alberto Fujimori: given breathing space by hiatus

The timing of the coup – a day before parliament was due to resume work after its summer recess – appears to indicate that Mr Fujimori feared a more hostile opposition led by Mr Alan García, Peru's former president and leader of the American Popular Revolutionary Alliance (Apra), the largest party in Congress. Mr García is now in hiding.

It is unclear how the new regime will aid the military's 12-year war against Sendero Luminoso (Shining Path) Maoist guerrillas. Emergency powers already give the armed forces freedom of action over 40 per cent of Peru's territory. The real constraint comes from a chronic shortage of resources – a situation exacerbated by the suspension of US military aid.

The armed forces may take comfort from Mr Fujimori's pledges to reform the judicial system. The government says that judges, intimidated by the Sendero Luminoso, have freed thousands of guerrilla suspects.

But while Mr Fujimori says he will sack "corrupt" judges, he has said nothing about stopping Sendero vengeance.

He has also announced measures to crack down on Peru's drugs trade. But while the armed forces remain his main ally, Mr Fujimori might be reluctant to purge military officers known to be involved in the drugs business.

Like most authoritarian leaders, he boasts of leading a "popular revolution" that will build "a new democracy". As a technocrat, he admires the economic transformation wrought by Gen Augusto Pinochet in Chile.

His success will depend on winning the war against Sendero and drugs, and on the continued backing of creditor nations and multilateral agencies. On all three counts Mr Fujimori stood a better chance had he chosen to reform Peru's institutions within a democratic framework.

"Mr Fujimori's popularity may start to evaporate once Peruvians begin to count the cost of international isolation," says Mr Hernando de Soto, a leading economist and former aide to the president.

Chemical breaks ranks with cut in prime rate

By Patrick Harverson in New York

CHEMICAL Bank, the New York-based banking group, cut its prime lending rate yesterday from 6.5 to 6.25 per cent in an apparent attempt to get a head start on rivals in the US commercial banking market.

The rate cut by Chemical was an unusual move. The big US commercial banks traditionally change their prime rates in unison.

Chemical's decision to reduce the amount it charges on loans to favoured customers follows the Fed's unexpected easing of monetary policy last Thursday when the central bank signalled it wanted the federal funds rate – at which banks borrow from each other – cut by a quarter of a percentage point to 3.75 per cent.

A reduction in the Fed funds rate does not usually trigger cuts in prime rates by big US commercial banks, which normally wait for the Fed to lower the more important discount rate, at which the Fed charges banks for loans. The discount rate is the Fed's most important monetary policy tool.

NEWS: WORLD TRADE

Officials see Gatt Round running out of steam

By Frances Williams in Geneva

TRADE officials acknowledged yesterday that the Uruguay Round of trade liberalising talks has run out of steam. Mr Arthur Dunkel, Gatt director-general, told a meeting of the top-level Trade Negotiations Committee (TNC) that without shifts in position by the major traders, the Round could not be concluded successfully.

After "a promising start", country-by-country negotiations in Geneva on improving market access for foreign goods and services were losing momentum, he said.

Mr Germain Denis, chairman of the market access negotiations, said good prospects existed for a substantial package of trade liberalisation measures, with many countries indicating they would meet or go beyond the one-third target cut in overall tariffs. But a political breakthrough was needed in the main bilateral market access negotiations (by implication, those between the US and the EC), to unblock the talks on both agriculture and industrial goods.

Also, several countries have refused to convert import curbs on certain farm products into tariffs as required by the draft Uruguay Round text on agriculture. This point was amply illustrated yesterday when much of the meeting was taken up with a heated debate over the EC's recent decision on banana imports, which protects high-cost Caribbean and north African bananas at the expense of Central American producers.

The EC decision means it will not replace banana import quotas with tariffs, a move which could prop open the door for other countries to exempt from tariffication products they consider especially sensitive, notably rice for Japan and South Korea.

In services, Mr Dunkel singled out the widespread exemptions from the non-discriminatory most-favoured-nation principle being sought by the US as a major hurdle.

Mr Dunkel said he would hold consultations with negotiators after Easter, to decide how to tackle what he hoped would be the last leg of the negotiating process. Another TNC meeting is likely towards the end of April, after what is seen as a key meeting between President Bush and Mr Jacques Delors, EC president, on April 22.

● French farmers are confident that despite his faith in free markets, Mr Pierre Bérégovoy, France's new prime minister, will resist pressure for deep cuts in farm subsidies to unblock the stalled Gatt world trade talks, Reuter reports from Paris.

"Bérégovoy is more sensitive to pressure from industrial and financial circles than (former Premier Edith) Cresson, but there is no reason to fear a shift in position on Gatt," an official of FNSEA, the main French farmers' union, said.

France, as the EC's biggest farm producer and exporter, holds the key to agricultural reform. The reappointment of Mr Louis Mermaz as farm minister is seen as a sign that Paris plans to continue to resist any new concessions in the five-and-a-half-year-old talks being held under Gatt.

The April 22 Bush-Delors meeting is seen as one of the last opportunities for a breakthrough in the deadlocked negotiations. French farmers see more reason to worry about talks under way to reform the EC's Common Agricultural Policy (CAP), which they fear could lead to production quotas.

France is willing to accept farm price cuts, providing they help to regain market share inside and outside the EC, but is firmly opposed to any type of quota system as wanted by Germany, analysts said. A French government official said he believed any chance of a Gatt agreement would be tied to Germany's dropping its support for quotas. "If there is a breakthrough on April 22, that will mean France and Germany have struck a deal on CAP," he added.

Food aid: demand grows, resources fall

Robert Graham interviews the outgoing director of the World Food Programme

THE OVERALL resources available for international food aid are being reduced at a time when the need for such assistance is expanding. This is one of the disturbing trends observed by Mr James Ingram, who has just retired as director of the World Food Programme (WFP), the Rome-based organisation responsible for United Nations food aid.

Mr Ingram, an Australian who headed the programme for 10 years, also notes a slowing down in donor countries' responses to aid requirements and their insistence on more conditions for assistance. The organisation is the only multilateral body providing food assistance to developing countries, accounting for one-fifth of all food aid shipped globally. The organisation is also the second largest source of development assistance within the UN system after the World Bank.

"There are enormous problems of how to allocate food aid, since the demands are increasing while resources from donor countries are being reduced," he says.

The decline in resources has been in evidence since 1988, and last year the $448m (£260.4m) committed to development projects was the lowest in value terms since 1978. Approximately 22m people were reckoned to have received food through the programme's development projects last year, the bulk in food-deficit countries with per capita incomes below $1,135.

The main call upon the programme's resources has come from increased emergency relief aid. In the two-year period 1991-92, the organisation's total resources are expected to be $2.6bn. But the number of unforeseen emergencies (such as helping the Kurds in Iraq and cyclone victims in Bangladesh last year) is likely to rise.

The situation, he argues, is set to worsen: "Donors are becoming slower in responding. We have seen this over the recent cases of Sudan, Liberia and Mozambique. The food pipelines are empty, and if you don't deliver now, it becomes impossible to get the food at the right time and thus it becomes very hard to manage the aid well."

The increased delays are less the result of "aid fatigue" among donor countries than, as Mr Ingram sees it, the consequence of aid being handled by civil servants who have too many calls on their national purses and have to juggle tight budgets. "They wait until the last moment, weighing their options," he says. "It's understandable, but decisions can be too late."

The organisation's current Horn of Africa appeal for $400m has so far produced no more than $80m in promises.

Of the main donors, Mr Ingram regards the US as still the most responsive. "The European Community has been a little disappointing," he says. The EC was still conditioned by "old geopolitical, historical and colonial considerations" and seemed insufficiently aware of the potential effects of instability and emigration among poor countries, especially in Africa.

James Ingram: 'Trade is ultimately more useful than aid'

He also sees aid increasingly geared to serve special interests and hedged-in by conditionalities. Food aid projects now often have to contend with human-rights issues such as the role of women and environmental protection, all of which affect a country's internal politics. While developing countries are far from blameless, Mr Ingram believes too many strings can be counter-productive: "It is better, perhaps, to have fewer strings and less aid."

Because the organisation distributes aid directly to the beneficiaries, it is less constrained by the nature of the governments where it is operating. For instance, in Sudan, where the government has a poor record on human rights, emergency food aid is distributed through non-government organisations (NGOs). In some countries the WFP ceases to deal with certain ministries; but, where genuine hardship exists, the organisation seeks to be present no matter the nature of the regime.

A more delicate issue, according to Mr Ingram, is whether the organisation should intervene when governments of potentially rich countries fail to feed elements of their population because of poor policies such as in Brazil's impoverished north-eastern region. He believes in principle that resource-rich developing countries should be responsible for their own poor, and in the case of the former Soviet Union the potential role of the WFP, apart from offering its good offices, should be limited to some of the poor Moslem republics.

He sees little immediate change in the production of food surpluses, especially where there are high subsidies as in the EC. But he is convinced that, in the longer term, greater trade liberalisation can only benefit poorer countries. "Trade," he says, "is ultimately more useful to them than aid."

Although the organisation last year handled a record 4.8m tonnes of food and has extensive experience in the purchase and movement of food aid, its hands remained tied. "The WFP has no money to finance stocks," says Mr Ingram. "We rely upon the International Emergency Food Reserve (IEFR), which is based solely on commitments from donors – it is not a formal stock. This reserve stands at about 500,000 tons, yet we have to distribute annually over 4m tons."

Mr Ingram has been succeeded by Ms Catherine Bertini, former assistant secretary of the US Department of Agriculture.

Eximbank chief hails huge openings in Indian market

INDIA is being hailed as "the new Mexico" at the US Export-Import Bank and proof positive that US industry has turned the tide in its drive to regain the edge over its foreign competitors, Nancy Dunne reports from Washington.

Mr John Macomber, Eximbank chairman, just back from an Asian trip, speaks glowingly of the "huge opportunities" of an Indian market newly shorn of trade curbs. Eximbank's exposure there has leapt from $100m (£58m) to $500m in the past year, and it has on hand applications for $1.6bn in trade credits.

"We won't get all the contracts, but we'll get a good percentage of them," Mr Macomber said. "This doesn't take into account a gigantic deal for airframes, airports and avionics which is in the works."

Mexico has emerged as the Eximbank's biggest customer, with lending expected to hit $7bn this year. But bank officials see India has having equal potential; even as a candidate for "bundling" – packaging together small loans for sale on the capital markets.

Mr Macomber says US product quality has improved so much in the past decade that Asian buyers are no longer "talking down" US products. Sales are mostly in the $50m-$75m range, including computers, avionics, machinery, and oil and gas equipment. "There are few areas where the Americans aren't on top, whether it is telecommunications, advanced materials, medicine or biology," he said. "No amount of monkeying with the value of the dollar is going to make you competitive if your product is not."

Support for US exports has now achieved a consensus in Washington. Congress has removed the ceiling for export guarantees, with no opposition from the Office of Management and the Budget, and the only limit on lending is a $612m subsidy level. The value of exports backed is expected to rise from $12.5bn last year to $14bn in fiscal 1992.

Last week, Congress repealed the Stevenson/Byrd Act, which placed a $130m lid on lending by Eximbank to the former Soviet Union and capped loans in the energy sector at $40m. Eximbank is finally prepared to go ahead with almost $200m in loans, approved months ago for sales to Russian businesses.

Matsushita in Chinese phone pager venture

By Steven Butler in Tokyo

MATSUSHITA Electric Industrial, Japan's biggest consumer electronics company, yesterday agreed to a telephone pager manufacturing joint venture with three Chinese companies.

The venture should help Matsushita consolidate its leading position in the Chinese market for pagers. Matsushita sold 150,000 pagers in China in 1990, out of a total estimated market of 300,000 units, and last year sold 200,000 pagers.

Pagers in China are popular because of the slow development of the telephone network. Rather than wait for a telephone, many Chinese are receiving messages by pager.

The company is to be called Beijing Matsushita Communication Equipment. Fifty per cent is to be owned by MEI and Matsushita Communication Industrial, with the other half owned by China National Posts and Telecommunications Industry, China National Postal and Telecommunications Appliances, and Beijing Telecommunication Components Factory.

The company is capitalised at $2.94m (£1.7m). Production of pagers, which will have liquid crystal displays, is to start in July.

Brussels sets steel duties

The European Commission is imposing provisional anti-dumping duties on imports of alloy engineering steel billets from Brazil and Turkey, it said yesterday, Reuter reports from Brussels.

The duties, equal to 16 per cent on imports from Turkey and 15 per cent on Brazilian steel, were imposed after an investigation following a complaint from the EC steel industry. EC governments have four months to decide whether to make the duties permanent.

Producers said imports had increased sevenfold, their market share rising to 7.8 per cent in 1989 from 1.2 per cent in 1985.

Japan reports monthly trade surplus of $11bn

By Robert Thomson in Tokyo

JAPAN yesterday reported a record monthly trade surplus of $10.98bn (£6.3bn) for March, bringing the surplus for the full fiscal year to $88.35bn, a 62.7 per cent increase and a potentially large source of trade problems for the Japanese government.

The customs-cleared surplus for the year was close to the record of $89.7bn in fiscal 1986, and prompted Mr Kozo Watanabe, the trade and industry minister, to promise to rekindle domestic growth in an attempt to halt the expansion of exports.

Japan's economic slowdown was reflected in the 29.3 per cent increase in the March surplus, as imports fell 8.2 per cent from a year earlier to $19.32bn, while exports rose 2.6 per cent to $30.30bn. Exports for the year rose 8.1 per cent to $320.58bn, imports dipped 4.2 per cent to $232.22bn.

The US Congress will note a marginal 1.2 per cent increase in Japanese imports of US products and that the bilateral deficit rose for the first time in five years, and query whether market opening measures have been effective. The US deficit in bilateral trade last year was $38.46bn, up from $38.12bn, following a 1.1 per cent increase in exports from Japan.

However, the Ministry of Finance's seasonally adjusted figures showed that the surge in surplus over the past few months could have peaked, with the March surplus at $9.17bn, down from $10.43bn in February. Exports decreased 3.8 per cent to $27.92bn, imports increased 0.9 per cent to $18.75bn.

For the year, exports to the EC were 5.6 per cent higher at $59.76bn, while Japan's imports from the EC declined 11.4 per cent to $31.32bn, highlighted by a 14.3 per cent fall in imports from Italy and a 25.1 per cent plunge in imports from France. Both countries' exports were hurt by the slowing of demand for luxury products.

China became a lucrative market again last year for Japanese companies, with exports 45.4 per cent higher at $9.42bn, and imports up 13.8 per cent to $14.56bn. Exports to the rest of Asia rose 12.9 per cent to $106.57bn and imports rose 4.1 per cent to $72.46bn.

Japan's trade with the newly industrialised economies of Asia, Singapore, Hong Kong, Taiwan and South Korea now outstrips that with the EC. Exports to those economies rose 13.1 per cent to $67.78bn, and imports were 4.7 per cent higher at $27.35bn.

The most significant increases in Japanese exports last year were in cars (7.7 per cent), video cameras (16.1 per cent), semiconductor equipment (12.3 per cent) and ships (22.6 per cent). Japan's machinery imports rose by only 4 per cent, and imports of cars fell 20.4 per cent by value and 25.9 per cent by volume.

Rafsanjani widens margin of victory in Iran elections

Colin Barraclough reports from Tehran

IRANIAN President Ali Akbar Hashemi Rafsanjani has widened his margin of victory in Friday's parliamentary elections and looks set to dominate Iran's incoming parliament.

Half of the votes in Tehran have so far been counted, with Mr Rafsanjani's supporters taking 29 of the 30 leading positions.

The extent of the landslide is a surprise, despite vetting before the poll which disqualified several hardline rivals of the president: not even Hojatoleslam Ali Akbar Mohtashemi, figurehead of the hardliners, could guarantee himself a seat.

However, even outside parliament, the hardliners could still plague Mr Rafsanjani. "They can make life more difficult for the government," said an Iranian official. "They have a lot of influence on the students."

Hardliners could also still gain more seats in the 270-seat Majlis (parliament). A second round of voting will be held for the more tightly contested seats.

Supporters of Mr Rafsanjani are seen as moderates outside Iran. They have forged closer ties with the west and seek to end Iran's economic and political isolation. However they are far from sentimental reformers. A diplomat in Tehran said: "They are pragmatic. They know they need the west. They need its money and they need its technology."

Inside the country, the rival organisations appeared so similar that many voters could not identify candidates from each side.

With more than 2,000 candidates standing, voters seemed to rely on individual familiarity rather than political affiliation. Most of Tehran's voters plumped for a very familiar face: Mr Syed Ali Akbar Hosseini, host of a popular "agony aunt" television show.

The pragmatists had orchestrated their campaign tightly, depending on the frequent exposure of their candidates at religious services and political meetings. They contracted the Post Office to deliver political pamphlets with regular mail.

"They have been working at least for the past year," said an Iranian official.

By contrast, the hardliners mobilised late, holding public meetings only during the week before the elections.

More important for the west, Mr Rafsanjani's Iran is emerging from its isolation; the revolution is coming of age. There is a cautious optimism in the air: ordinary Iranians express their opinion openly to strangers; foreign journalists are allowed independence.

And while some Iranians still mouth anti-capitalist rhetoric against the west, they happily fork out for the latest Sony or Panasonic from Tehran's high-tech bazaar.

Mr Rafsanjani will use his new parliamentary muscle to expand his economic reform, but his government will have little room for manoeuvre. It will be under pressure to increase state salaries in line with rampant inflation while keeping subsidies on basic foods.

Petrol rationing, imposed during Iran's eight-year war with Iraq, was lifted in February 1991, but subsidies on chicken and eggs were only partially removed later last year.

Mr Rafsanjani has placed great emphasis on cutting Iran's almost total economic dependence on oil exports. Since he came to power in 1989 the percentage of GDP earned from non-oil industries has increased to 8 per cent from 2 per cent. Non-oil exports doubled in two years, reaching a record $2.5bn (£1.45bn) in the year to March 1992.

But the price of reform has been high. Imports rose to $17bn last year, only just short of an all-time high, and prices have soared.

Iranians are not happy with the government's record on the economy. In protest, many in Tehran refused to vote. At the moment, they are not seriously disaffected; they will give Mr Rafsanjani more time.

However after a year, if the economy has not grown and prices have not dropped, the hardliners' fiery talk of independence and revolution may seem much more attractive.

Israel gets go-ahead for missile

By Hugh Carnegy in Jerusalem

THE US has given Israel the go-ahead to continue developing the Arrow missile, a costly ballistic missile interceptor mainly funded under the US Strategic Defence Initiative.

The approval comes despite recent concerns in Washington over alleged illicit transfer of US weapons technology by Israel to third countries.

Israel Aircraft Industries, a state-owned company making the Arrow, said it had received an order to carry out the second phase of the missile's development following Pentagon approval.

The US government is to fund 72 per cent of the $322m (£187m) cost of the 45-month second phase, intended to bring the weapon close to battlefield readiness. Israel will fund the remainder.

The Arrow is designed to succeed the Patriot missile, made by Raytheon of the US and deployed against Iraqi Scud missiles during the Gulf war. The first phase of its development, which has been delayed by technical hitches during test launching, began in 1988 and has so far cost $158m, 85 per cent borne by the US.

IAI also announced plans to establish a public company later this year to develop and manufacture its Amos communications satellite.

The amazing Mr Chung raises the stakes

Roh's government could be forced to defuse the Hyundai row, writes John Burton

MORE THAN the fate of Hyundai is at stake in the bitter feud between the group's founder, Mr Chung Ju Yung, and the South Korean government. Hyundai is the country's second largest business group, with activities ranging from cars and shipbuilding to electronics and construction, and the outcome of the conflict could even affect the election of the country's next president and determine the future role of big business in Korea's economic structure and politics.

Mr Chung did the unthinkable when he recently created the Unification National Party (UNP) to challenge the government of President Roh Tae Woo. Business has traditionally played a subservient role to government in Korea, providing financial contributions to the political establishment in return for receiving corporate favours. The launch of the party upset this equilibrium, and Mr Chung did it in a way that humiliated the government: the party's success in last month's national assembly elections helped deprive the government of a parliamentary majority.

The clash began in earnest last autumn, when the authorities imposed a $181m (£105m) penalty tax on the Chung family and 14 Hyundai subsidiaries amid speculation that the Hyundai founder was planning to form his party. The Hyundai group subsequently complained that bank loans were being denied to them under state pressure, while the government was blocking approval of planned stock and bond issues.

Legal actions then escalated after the elections. Hyundai's main creditor bank, the Korea Exchange Bank, suspended loans for industrial investments to five key subsidiaries for six months due to violations of credit controls. Hyundai Electronics Industries may lose its important right to unrestricted credit access because it allegedly used bank loans to finance the UNP. Hyundai Merchant Marine has been hit with a Won 27bn (£20m) tax penalty and several corporate officials have been arrested for alleged tax evasion. The state-run Korea Development Bank has suspended industrial loans to Hyundai because it fears that the group's creditworthiness will fall as a result of its conflict with the government.

Chung: aggressive tactics

The lastest legal sanctions coincide with government worries about the prospect of Mr Chung's standing in December's presidential election. Many political analysts believe that a Chung candidacy would deny victory to the ruling Democratic Liberal Party (DLP) in the race for the Blue House, the presidential office: he might split the conservative vote and deliver the election to Mr Kim Dae Jung, the likely candidate for the main opposition Democratic Party, or even squeak through to become president. Mr Chung proved skilful during the assembly elections in overcoming public suspicion of the *chaebol*, the conglomerates that dominate the Korean economy. His party's advertisements contrasted the international success of Hyundai with the economic problems confronting the country as a whole, including high inflation and a burgeoning trade deficit. The result was that the party captured 17 per cent of the vote.

The party's goal is to reduce the government's strict economic controls. Mr Chung, for example, wants to deregulate the financial system. The government is using credit controls as part of an attempt to reduce the economic power of the *chaebol*, while promoting the growth of small and medium-sized business. Tighter borrowing rules have been imposed on the *chaebol* in the hope that they will divest some of their widespread industrial activities, although the policy has not been very successful. The *chaebol* initially grew rapidly due to cheap loans. Mr Chung wants a return to the days of easy credit. He argues that only the success of the *chaebol* can save the economy.

He has also accused the government of favouring the other *chaebol*. While Hyundai benefited from Mr Chung's friendship with President Park Chung Hee in the 1960s and 1970s, relations between Hyundai and the state have cooled. Mr Chung has claimed that Daewoo, the country's fourth biggest conglomerate, grew under President Chun Doo Hwan in the 1980s because it was granted tax breaks and other privileges to take over ailing concerns. Daewoo is now spearheading proposed corporate investment in North Korea, replacing Hyundai in this government-sanctioned role.

"Why only us?" asks Mr Chung Mong Joon, a son of the Hyundai founder. "The irregularities that the authorities are charging us with are common practices in domestic business management." The government denies that it is targeting Hyundai in its examination of financial practices. Officials warn that the other *chaebol* are also being scrutinised for illegal practices.

Analysts wonder how long Hyundai can stand the financial pressure before it starts suffering damage.

However, most believe that the government's goal is to frighten Hyundai away from financing the UNP and that it has no intention of inflicting permanent harm. The health of Hyundai is considered too important to the Korean economy. Its 43 subsidiaries generated an unconsolidated turnover of Won 40 trillion (million million) in fiscal 1991, which was equivalent to 17 per cent of the country's gross national product. "I expect the government will have to back down because of the economic consequences of a Hyundai collapse," says Professor Sohn Hak-Kyu of Sogang University. "A retreat by the government will confirm that the *chaebol* have grown too powerful to control and that they are likely to play a growing role in the political process."

Indeed, there have been signs in the last few days that the government is trying to defuse the situation. It suspended for a week its threat to withdraw unrestricted credit rights from Hyundai Electronics, while a presidential aide met with the current Hyundai chairman, the younger brother of Mr Chung.

Although the elder Chung may emerge victorious from his battle with the government, the other *chaebol* will try to prevent him from using his new political power to benefit Hyundai. They have declared that they may band together to combat Hyundai. Mr Chung will be closely watched to see if he can successfully separate his business interests from his political activity.

Some of an estimated 3m Hindus who took a ritual bath in the Ganges yesterday in and around the town of Hardwar, Uttar Pradesh, at the start of a salvation festival. Hindus believe that bathing in the Ganges at this time washes away sins and opens the way to nirvana, a state of perpetual bliss

Congress meets in attempt to bury Nehru's doctrine

By David Housego in Tirupati

INDIA'S Congress party meets today for a historic three-day conference expected to consolidate the political authority of the prime minister, Mr P V Narasimha Rao, and to endorse his pro-market economic policies.

The plenary session of the All India Congress Committee (AICC), the party's main policy-making body, is the first to be held since independence in which no member of the Nehru family will be present.

About 100,000 delegates and party supporters are gathering at this pilgrimage centre in southern India – a location deliberately chosen by Mr Rao to strengthen the Congress party's Hindu credentials and to woo support from the Hindu radical Bharatiya Janata Party (BJP), the main challenger to the Congress.

One of the main divisions in the Congress, and expected to be on the conference agenda, is over its approach to the BJP, which is in power in the large northern Hindi-speaking states of Uttar Pradesh, Rajasthan and Madhya Pradesh.

The infrequent plenary sessions of the Congress have in the past been the occasions for signalling important shifts in doctrine. The 1955 session proclaimed the party's commitment to industrialisation through public ownership and the 1985 meeting under Rajiv Gandhi opened the door to economic liberalisation.

This session will effectively bury the Congress party's commitment to socialist central planning and the dominance of the public sector. But because of the widespread opposition within the party to abandoning the legacy of Nehru, Mr Rao will present his pro-market policies as an extension of the Nehru heritage.

In spite of the party's readiness to give an overall endorsement to the new reforms, a large section of the party remains opposed to retrenchment.

The strength of the opposition from both within the party and the unions has led the prime minister to stall a rationalisation of the state-owned banking system and to postpone measures making it easier for companies to reduce their work force.

For the prime minister the plenary session is important in both consolidating his own leadership and in establishing a hierarchy beneath him. Mr Sharad Pawar, the minister for defence, and Mr Arjun Singh, the minister of human resources, are expected to emerge from the meeting as the two most likely candidates to succeed Mr Rao. Seen as a stop-gap leader when he took power last June, Mr Rao has succeeded in neutralising challenges from Rajiv Gandhi loyalists and from party bosses in the north.

The Gandhi faction has been marginalised by Mrs Sonia Gandhi's reluctance to enter politics and the resurfacing of allegations that the Gandhi family benefited from the Bofors scandal.

Libya sanctions leave Arab world divided

By Tony Walker in Cairo

AS TIME ticks away to the imposition tomorrow of United Nations-imposed sanctions against Libya, Arab states are wrestling with the knotty problem of how they might react.

Egypt, the Gulf states and Jordan have indicated they will probably fall reluctantly into line with the sanctions provisions, but it is not clear how Libya's North Africa's neighbours or such countries as Syria will respond.

The Arab League, which has passed three resolutions in an effort to defuse the crisis, has not outlined a collective stand in the event of sanctions, and, given divisions within the league, it may prove difficult for it to do so.

However, Dr Esmat Abdel Meguid, the league's secretary-general did tell reporters last month that in his view the Arabs should not impose sanctions. This was perhaps surprising coming from Dr Meguid, a cautious lawyer-turned-diplomat, who served as Egypt's UN representative for more than a decade throughout the turbulent 1970s.

Arab League officials say no date has been set for a special foreign ministers' session to consider a collective response; but Mr Adnan Omran, a deputy secretary-general, indicated there were pressures for one to be held soon, although he acknowledged it would not necessarily be easy to forge a consensus.

Broad agreement was achieved in the three league resolutions aimed at defusing the Libya crisis – these were acclaimed on December 5, January 16 and March 22 – but discussion of how in fact to respond to sanctions themselves may prove divisive.

Pro-western states such as Egypt, which is heavily dependent on US aid, will not wish to adopt a stance which runs counter to US interests, even at the risk of being accused of being in Washington's thrall.

The Libyan situation would seem to be tailor-made for Iraq which will almost certainly try to use the crisis to help it regain its voice in Arab councils. Iraqi representatives are already arguing that "first it was us, now it is Libya, who next among the Arabs?"

Mr Omran was highly critical of the western approach to forcing Libya to disgorge its nationals suspected of the 1988 bombing of an American airliner, insisting that resort to the UN sanctions, including an air and arms embargo, was hasty and ill-conceived.

"This kind of policy," he said, "is an encouragement to extremism. Mr Saddam Hussein must be very happy with American policy now."

Western officials acknowledge the Libyan crisis has become "messy", in the words of one. "No matter how hard we try to explain the situation reactions are emotional," he said. "People believe what they want to believe."

Egypt, which has led the Arab diplomatic drive to prevent Libya's further isolation, appeared early this week to have resigned itself to the sanctions coming into force, and for this in turn to lead to complications regionally.

President Hosni Mubarak told Egyptian reporters on his way back to Cairo from Tripoli on Sunday that Egypt had done all it could to defuse the crisis. The implication was that nothing much more could be achieved unless Libya was willing to consider seriously handing over its nationals. Interestingly, an Egyptian official newspaper yesterday hinted at criticism of Libya. Al Akhbar described the Libyan leadership as "hesitant" and "lacking decisiveness in confronting the problem".

Egypt's official Middle East news agency, MENA, quoted Mr Mubarak as warning that Libya must take the necessary steps to protect itself from the repercussions of the crisis. This hardly amounted to an Egyptian pledge to go all the way with Tripoli.

Libya last night urged its Arab neighbours to disregard United Nations-imposed sanctions, which are due to take effect at a minute after midnight New York time tomorrow after Libya's refusal to hand over two men accused of the 1988 bombing of a US airliner over Lockerbie, Scotland, Tony Walker reports.

Major Abdel-Salam Jalloud, Libya's second-in-command, bluntly told Arab labour ministers in Tripoli, that "the Arabs should not implement resolution 748".

It was Libya's most pointed call to its fellow Arabs to ignore the UN sanctions resolution, which calls for an air and arms embargo, and a downgrading of Libyan representation abroad.

Libyan prepared for the April 15 sanctions deadline by declaring a day of "mourning" today, during which communications with the west were cut off, against a background of continuing and apparently futile Arab diplomatic efforts to defuse the crisis.

Colonel Muammer Gadaffi, Libya's leader, has insisted he will not back down in the confrontation with the west.

In remarks to reporters on Sunday he claimed broad Arab and Third World support for his stand and said Libya would "not lose anything" as a result of sanctions.

Arab foreign ministers, members of a seven-member committee grouping Egypt, Syria, Libya, Tunisia, Algeria, Mauritania and Morocco, met in Rabat over the weekend in a final effort to find a way out of the impasse, but appeared bereft of new ideas.

Libya has appealed to the International Court of Justice to rule that it is capable of trying the two men suspected of the bombings within its own jurisdiction, but the court is thought most unlikely to rule against UN resolutions calling for their surrender.

The court will rule this afternoon on a Libyan call for protection from any US or British military action against Tripoli pending a negotiated settlement of the confrontation.

Move to gain support against Kurds

Turkey seeks to revive Syria pact

By John Murray Brown in Ankara

TURKEY WILL today seek to revive a five-year-old border security agreement with Syria in the latest diplomatic effort to curb the rebel activity of the Kurdish Workers party (PKK).

During a two-day visit to Damascus, Mr Ismet Sezgin, Turkey's interior minister, is expected to press the Syrians to reduce their support for the PKK, which is fighting for the independence of south-east Turkey using training camps in the Syrian-controlled Bekaa valley in Lebanon.

The move reflects a government desire to paint the PKK as an external threat despite growing evidence that the rebels enjoy broad support inside Turkey.

It also underlines growing impatience with the Syrians over a number of bilateral issues including disputes over the Euphrates river and Syrian claims on Hatay, the border province ceded to Turkey in 1938 when Syria was still under French mandate.

Mr Sezgin's visit is part of a broader diplomatic initiative to win regional co-operation against the PKK following German and EC criticism of its handling of recent unrest in the south when more than 100 demonstrators died in clashes with security forces.

Mr Massoud Barzani, leader of the Iraqi Kurds, gave an implicit undertaking to Ankara last week to clear the border area with Iraq where the PKK has exploited a power vacuum.

Turkey reportedly won Egyptian assistance in putting pressure on the Syrians during a visit to Ankara last week by Egypt's President Hosni Mubarak.

In Turkey's and Syria's last agreed on a shortlived border security agreement of 1987, On that occasion Syria insisted on linking the border security agreement with a dealon allocation of Euphrates water. Turkish officials insist this time water will not be discussed. Instead Mr Sezgin will present what officials say is documentary evidence of Syrian complicity in PKK actions.

Mandela and wife to separate

By Patti Waldmeir in Johannesburg

MR Nelson Mandela, president of the African National Congress (ANC), said yesterday that he and his wife, Mrs Winnie Mandela, had decided to separate after 33 years.

The move follows renewed allegations that Mrs Mandela viciously beat four young men in her Johannesburg home in 1988. One subsequently died. Mrs Mandela's lawyers yesterday denied the allegations and Mr Mandela said they had nothing to do with his decision to seek a separation.

Mr Mandela's voice broke with emotion when he read out a statement announcing the separation. He praised his wife's role in opposing apartheid and in resisting government harassment during the ANC leader's 27 years in jail.

"My love for her remains undiminished," he said. However, the couple decided to separate because tensions had arisen "owing to differences between ourselves on a number of issues". Mrs Mandela takes a more radical political stand than her husband, and her open marital infidelities in recent months have led to scandal.

Heathrow leads modest recovery in air traffic

By Paul Betts,
Aerospace Correspondent

UK AIR traffic staged a very modest recovery in the first quarter of this year after last year's slump caused by the Gulf war and the economic recession.

Passenger traffic at airports in the south east operated by BAA, the airports operator, increased by 19 per cent to 13.6m passengers in the first quarter compared with 11.4m passengers in the same period last year at the height of the Gulf conflict.

The BAA figures, published yesterday, show traffic increased by barely 1 per cent compared with the first quarter of 1990. Passenger traffic last month rose 12 per cent on March 1991 and was flat compared with March 1990.

The very small recovery in passenger numbers compared with 1990 reflects the continuing impact of the recession on air travel. Traffic at London's Heathrow airport has shown the strongest improvement, but Gatwick – the capital's second hub – is still struggling to recover former passenger levels.

Traffic at Heathrow increased to 9.5m in the first quarter of this year from 7.7m in the first quarter of last year and 9.2m in 1990. In contrast, traffic at Gatwick totalled 3.7m passengers in the first quarter of this year compared with 3.5m last year and 4m in 1990.

Apart from the recession, Gatwick was hit by the decision of several airlines to transfer operations to Heathrow after the government scrapped London air traffic rules last year and opened access into Heathrow to all carriers.

● Food at London's Heathrow airport has made impressive improvements during the last few months, while food at Paris Charles de Gaulle is "disastrous" and "abysmal," according to a report by Egon Ronay, the food critic.

In a survey published yesterday by Mr Ronay's magazine – after he had been asked by Sir John Egan, BAA chief executive, to review the standard of food at Heathrow – Mr Ronay said: "How a nation which justly prides itself on its gastronomic prowess could tolerate what we consider is disastrous food, particularly in an international shop window, is beyond me."

By contrasts, there had been a "remarkable and commendable transformation" at Heathrow after an unfavourable first report.

"It is heartening to see what can be achieved after a none-to-gentle prod." Mr Ronay said.

Rover to adopt Japanese-style work practices

By Michael Smith,
Labour Correspondent

WORKERS at Rover, the car manufacturing subsidiary of British Aerospace (BAe), have voted by only a small minority in favour of Japanese-style work practices and pay bargaining which the company hopes will improve efficiency.

In the ballot among 28,000 union members the vote was 11,961 in favour, with 11,793 against.

While the company intends to go ahead with the wide-ranging package of reforms, the narrowness of the vote suggests that it has a considerable task to persuade its workforce to adopt the changes wholeheartedly.

The size of the opposition vote surprised union leaders who had endorsed the reforms and praised the company for its willingness to negotiate with them and for attempts to involve workers more fully in decision making.

Shopfloor resentment is thought to have stemmed in part from the company's failure to offer any cash inducement for accepting the package. Other car manufacturers seeking change tended to have done so; a package of reforms under discussion at the Luton plant operated by Vauxhall, the GM subsidiary, would lead to a 5 per cent pay rise over and above annual wage increases.

Rover had tried to sweeten its package through measures such as increasing job security, suggesting it would not implement compulsory redundancies, and improving holiday and sick pay arrangements for blue collar workers.

Although most workers welcome these measures, some were concerned about measures such as the phasing out of "clocking-on" arrangements and payment of wages by credit transfer rather than in cash. Among the more substantive measures, the company's intention of removing all demarcations between jobs will also have engendered fears about increased work loads.

Other aspects of the package include: the introduction of a joint pay bargaining procedures for office staff and production workers; the extension of team working; and a mechanism for binding arbitration in management-union disputes.

The package is one of the most far-reaching attempts by a non-Japanese car manufacturer in the UK to increase productivity and change work culture.

Rover said the package was so wide-ranging that it was inevitable there would be concerns. It would attempt to allay fears as it introduced the changes.

Clowes ordered to make £6m interim payment for damages

MR PETER Clowes, the jailed fraudster, and his wife Pamela were yesterday ordered to make an immediate interim payment of £6m on account of damages payable to the Department of Trade and Industry which took over the claims of investors who lost out in the collapse of the Barlow Clowes investment group.

The exact amount of damages has yet to be assessed by the court, but the judge said it was "inevitable" that the figure would exceed £10m.

Sir Donald Nicholls, the High Court judge who made yesterday's order, said there was nothing unjust in ordering an interim payment, even if the amount was beyond the couple's means and had the "extreme consequence" of bringing bankruptcy on them.

Interest is to run on the interim payment pending appeal by Mr and Mrs Clowes.

Clowes, who is currently serving a 10-year prison sentence for fraud, was in court for the brief hearing. The DTI claim is one of many against Clowes, 49, who cheated investors of an estimated £113m by falsely promising to invest in gilt-edged securities and spending the money on a yacht, executive jet, expensive cars and various businesses.

Only £1.9m of a £115m investment fund was found to have been invested in government stock. The DTI paid out £150m compensation to investors. The DTI is seeking the return of £19.8m, representing losses suffered by investors in Barlow Clowes and Partners before it was taken over by Barlow Clowes Gilt Managers in 1987.

Peter and Pamela Clowes, facing £6m court order

Mrs Clowes, although having had no personal involvement in the partnership, is jointly liable with her husband.

● A 14-member committee has been set up by the Securities and Investments Board (SIB), the City regulator, to work on the creation of a regulatory watchdog to protect private investors.

The creation of a self-regulating organisation (SRO) for retail investment was the main recommendation last month of a report by Sir Kenneth Clucas, appointed by the SIB in October to examine the need for replacing the present complex and fragmentary system.

Britain in brief

Builders fear mounting job losses

The three-year recession in the UK construction industry is likely to have claimed more than 300,000 jobs by the end of this year in spite of signs that indicators of future activity are continuing to improve.

Mr John Smith, chairman of the Building Employers Confederation, said: "There is still no sign of renewed growth in output, so 1992 will be another extremely tough year for construction firms."

The confederation's latest survey shows construction output fell 9 per cent last year. The confederation had expected the fall in employment since mid-1989 to be between 200,000 and 250,000. The severity of the recession has forced it to revise its forecast. Mr Smith said: "The jobless figure looks like continuing to rise for the rest of 1992 and into 1993."

Paying for lost immunity

The state-run National Health Service and hospitals which have opted out of local health authority control are to spend £1.6bn on building improvements following last year's lifting of Crown immunity from hospital properties, a survey of health authorities says.

Until immunity was lifted, planning controls and many other regulations did not apply to hospitals. Most of the work will be done to conform with fire regulations, according to Building Intelligence Digest, a consultancy.

Reasons not to relocate

The length of golf club waiting lists, the ratio of blondes per head of population and the number of swans on a river have all been used by companies to help choose a new location, according to a guide to relocation management.

These examples demonstrate how not to come to a decision on a new address, according to The Director's Guide to Relocation Management. Miscalculations during relocation can lead to the loss of key employees, plummetting morale and escalating costs, it says.

Severn Bridge tolls increase

Motorists travelling between England and Wales are to face sharply increased toll charges on the Severn suspension bridge (below), which connects the two countries.

Charges for car drivers will increase from £1 to £2.80, while drivers of other vehicles face charges raised from £2 to £5.60 for small goods vehicles and £8.40 for trucks and buses.

The new charges will be introduced on April 26, when responsibility for the bridge will pass from the Department of Transport to a private company, Severn River Crossing.

Tolls, however, will be levied only on vehicles travelling west into Wales.

Mr Ian Kelsall, Welsh director of the Confederation of British Industry, said the increase in tolls would not affect the Welsh economy.

Kent power station plan

A UK, US, and Japanese consortium plans to build a £230m 660MW power station on the Isle of Grain in Kent. TBV Power, jointly owned by Tarmac and Black and Veatch, a US construction company, will join Marubeni, the Japanese trading company, to design and build the station which is a joint-venture between AES Corporation, a US power company, and the UK regional electricity companies, Seeboard and Southern Electric.

Ballot for Tube staff

The RMT transport union has decided to ballot members working for London Underground in protest at plans to change working practices and axe up to 5,000 jobs.

The ballot decision followed London Underground's refusal to make alterations to its proposed Company Plan.

London Underground, which ignored a deadline set by the union, said union objections to changes in management grades fell outside the RMT's remit. The union said London Underground was trying to introduce the changes through piecemeal measures at local levels and was refusing to negotiate nationally.

Damp start to cricket season

Essex, the 1991 county cricket champions, met 'England A' at Lord's, north London, on the first day of the season. Rain briefly stopped play.

'England A' is the country's "second side", fielding players below full international Test rank. Essex, led by England captain Graham Gooch, was one of 18 counties to compete in domestic games.

The 1992 season includes a British tour by Pakistan, which arrives later this month for a four-month visit.

TELECOMS

BT urges new price structure for line rental

By Hugo Dixon

BUSINESS customers of BT could benefit at the expense of residential users following moves by the national telephone company to win permission from Oftel, the industry regulator, for a rapid increase in its line rental charges.

The company's proposals, contained in a submission to Oftel, which is currently reviewing BT's prices, would mean that customers who use the phone little would see their bills increase by more than the rate of inflation.

But business customers and residential customers who are heavy phone users would see their bills going up at a slower rate.

The submission was made last month but not published until yesterday, because BT did not wish the matter to be drawn into the general election campaign.

Mr Malcolm Argent, BT's company secretary, repeated an argument made many times in recent years that line rental charges were artificially low and call charges artificially high. The company estimates that the size of the subsidy from calls to rental charges is £1.8bn a year.

Currently, BT is allowed to increase rental and connection charges by two percentage points more than the rate of inflation each year.

The company now wants the constraint on rental charges to be replaced by a new rule that the size of the average residential customer's bill should not go up by more than inflation.

Mr Argent said this would mean that people paying less than the average – £43.57 a quarter – would see their bills increasing faster than inflation, but that those paying more would find their bills going up at a slower rate.

Mr Argent said that such a "rebalancing" of charges would allow BT to compete fairly against rivals, like Mercury Communications, which are not under similar regulatory constraints. It would also be good for the economy because lower call charges would encourage people to use the phone more. Mr Argent refused to spell out how sharply BT wished to increase prices, saying he did not wish to be "hoist on his own petard".

But he said the poorest people would be protected by a scheme allowing them to pay lower rental charges if they make very limited use of the phone. About seven million people could see their bills going up by more than inflation under the company's proposals.

BT is also arguing for a relaxation of its overall price cap, which requires that the price of a basket of its services has to fall by 6.25 percentage points less than inflation each year. It believes a figure of 4.5 percentage points should be the "starting point for discussions" with Oftel.

BT has already held several meetings with Oftel which the regulator describes as "preliminary skirmishes". Both sides would like to reach an agreement by the time Sir Bryan Carsberg, Oftel's director-general, moves to the Office of Fair Trading in mid-June.

Labour rediscovers appetite for internal strife

Ivo Dawnay finds an old fashioned internal dispute brewing over the succession to Kinnock's crown

Hugh Routledge

Those were the days: Neil Kinnock and Roy Hattersley (left) were the 1983 dream ticket for the Labour party

MR John Smith – prematurely hailed last week as chief architect of a Labour victory – yesterday emerged as the leading candidate to succeed Mr Neil Kinnock, who yesterday announced his resignation as leader of the opposition Labour party.

Mr Kinnock's hopes, however, that the leadership contest would not expose splits in the party were undermined by claims by a former party press officer that Mr Smith, the party's chief finance spokesman, had become a creature of the union barons, a beneficiary of a conspiracy and a stooge of the party establishment.

Citing Labour's defeat in last Thursday's general election as the reason for his resignation, Mr Kinnock claimed his campaign had been the victim of unfair and misleading coverage in the traditionally tory tabloid press.

In a sombre statement in his Westminster offices, Mr Kinnock made clear that he and Mr Roy Hattersley, the deputy leader, would ask a special meeting of the National Executive Committee today to call the elections for late June.

Mr Bryan Gould, the party's environment spokesman and an expected contender, joined several Labour MPs in immediately declaring his strong opposition to an early contest, although Mr Kinnock's timetable is likely to be agreed by a narrow margin.

Mr Gould's opposition to a June leadership contest, the apparent union backing for Mr Smith and the calls from some left-wing MPs for a return to more traditional socialist values has unveiled a side of the Labour party which Mr Kinnock had successfuly suppressed. Party activists fear Labour could be seriously split by a succession crisis following its unexpected failure at the polls.

Nobody can deny a political party's right to a little recrimination and self-pity in defeat; but nobody exhibits it so publicly and with such suicidal skill as Labour.

Only one thing in the traditional world of British politics is capable of producing such an astonishing turnaround: a Labour election disaster and a party leadership contest.

Yesterday, it was like old times. The day began with Guardian newspaper readers up and down the country choking on their breakfasts to the bilious claims of Mr Colin Byrne, until last year Labour's chief press officer.

In a letter to the paper, he claimed Mr Smith had "cost the party dear" with his tax plans and sat on his hands through all the tough decision making of the Kinnock years.

Unnamed conspirators, he added, "had been manoeuvring John Smith into position to walk into the leadership should Labour lose and orchestrated the ruthless undermining and behind-the-hand rubbishing of perceived rivals in a future contest."

Much of all this stems from Mr Kinnock's now infamous dinner with journalists in Covent Garden last January. Some in the Kinnock camp claim Mr Smith's office then briefed against the leader, contradicting his suggestion that tax and national insurance contributions might be "phased-in."

In this particular demonology, therefore, it is only a small (if simplistic) leap for the fanatically loyal to claim that it was Mr Smith's intransigence on tax that lost Labour the election.

The truth is probably less conspiratorial. Mr Smith was indeed widely believed to have been irritated by his leader's dinner-time indiscretions. But to suggest this was all part of an elaborate plot aimed at engineering Mr Smith a smooth passage to the Labour leadership is laughable.

The second charge against the Smith camp – that it is steamrolling the shadow chancellor into the leadership – is also only half the story. After all, it is Mr Kinnock's determination to go that is pressing a quick decision, something, it must be admitted, that is not to Mr Smith's disadvantage.

As for the trade union barons role in the election, it will be the same in June or July as it will be in October.

Are we back in the days of fierce ideological schism? They should not be, yet they are in danger of becoming so. The differences between Mr Gould and Mr Smith are complex, but they defy the simple categories of left versus right.

There are distinct differences on attitudes to Europe and the economy. But the key to Mr Gould's campaign is going to be putting a case for a new appeal and a fresh style, aimed at attracting the southern middle-class that Labour so signally failed to win over last week.

His implicit argument in a weekend interview was that the shadow chancellor had underestimated the poor reaction to his tax plans among the "aspiring" classes and that he lacks the "zeal and the passion" needed to woo the public.

Some in the party, however, seem determined to try to transform Mr Gould into the Left's candidate and to portray the more traditional Mr Smith as a advocate of a "steady as she goes" policy.

Mr Ken Livingstone, the Labour MP was among several left-wingers who argued, unaware of the irony, that the rightwing shadow chancellor had been too tough on middle-income taxpayers.

What is clear is that before the election is held, Mr Smith will have to fill in the blank sections of his ideological curriculum vitae to counter the "lack of vision" charges. So far he is known, almost exclusively, for his cautious bank manager style.

In some respects, it is his misfortune that what now looks more than likely to be a foreshortened leadership contest will leave him almost inevitably vulnerable to the accusation that he has been elected by a discredited system.

With the leadership candidates expected to make their official declarations tomorrow, the triumphant Tories – now basking in their election victory – are anticipating a highly enjoyable summer.

Joe Rogaly, Page 17

Northern Ireland secretary rejects talks with Sinn Fein

By Our Belfast Correspondent

SIR Patrick Mayhew, the new Northern Ireland secretary, yesterday made it clear there was no place for supporters of violence at talks on the province's political future.

His statement was seen as a clear sign that Sinn Fein, the political wing of the IRA (Irish Republican Army) terrorist group, will not be included in round-table talks on Ulster.

On his first day in office in Belfast Sir Patrick outlined his immediate priorities which include meetings with Mr David Andrews, the Republic of Ireland foreign minister.

Mayhew: rejects Sinn Fein

Sir Patrick will also be meeting leaders of the Unionist parties, who broadly favour enhanced links with the UK, and Nationalists – who favour a united Ireland – to take stock of the current position.

He is expected to meet Mr Andrews at an Anglo-Irish Conference meeting in Belfast shortly after Easter. At that meeting a formal suspension of conference meetings may be announced to enable inter-party talks on the future government of the province to be reconvened.

Unionists have already welcomed Sir Patrick's appointment to the Ulster job and respect his strong stance on law and order.

Sir Patrick yesterday dismissed potential Nationalist concern over his alleged refusal to prosecute police officers at the centre of the so-called shoot-to-kill investigations. The former Attorney General said that decision had not been his and he had left the past behind him.

■ Experts warn of other attacks ■ Insurers face claims of £1bn ■ James Capel builds a dealing room in 48 hours

Work goes on in temporary offices

By Andrew Jack, Catherine Milton and Ken Gooding

THOUSANDS OF City workers arrived yesterday at unfamiliar offices to try to ensure business carried on as normal after Friday's IRA bomb had damaged their familiar workplaces.

"It's an odd feeling to wake up in the morning and not knowing where you are going to work," said Mr Hugh Scott, assistant secretary of Fosfa, a trading association for commodities' brokers and a refugee from the third floor of the wrecked Baltic Exchange.

"The bomb has put things in perspective for me," he said. "All those deadlines that seemed so important have *passed without comment. It is* going to be very difficult to pick things up *again.*

"At the moment we cannot access our fax machine, telephones or address system. We are out of touch with 600 member companies."

Ingenuity and effort over the weekend meant most displaced workers had somewhere to go. Up to 100 staff of James Capel, the securities house, worked through the weekend to construct a replacement dealing *room from scratch. Commercial* Union, the insurance company worst *hit by the blast,* was trading as normal.

James Capel installed phones, computers and office furniture in spare premises on Devonshire Square in time to provide a full dealing service by 7am yesterday.

The Stock Exchange loaned 35 *Topic screens carrying its* share dealing information service while Reuters provided trading screens and the Midland Bank *offered* office equipment including fax machines, *desks and chairs.*

"Everyone was incredibly cooperative," *said Mr Peter* Letley, finance director. "I really don't *know* who paid."

All Capel's 1,000 employees were called on Sunday night and told whether and where to show up yesterday. The settlement department moved to the Devonshire Square site, but many staff were allowed back into Bevis Marks.

"Both buildings are running smoothly," said Mr Letley. "We should be back to normal by Wednesday. Our clients have *been very supportive.* One faxed me to congratulate us *and send best wishes to the* staff." The Baltic Exchange, which arranges most of the world's freight chartering and more than half of world-wide ship sales, was even able to publish last night its Baltic Freight Index, the futures index recognised worldwide as a barometer of the freight market.

Mr Peter Tudball, the exchange chairman, said: "*There has been no business* lost on the London market. In *fact, I think* more people have been using the London market today because of this tragic incident than probably would have done last week."

Other companies took a variety of steps to continue operating. Some staff from Shaw & Croft, the solicitors, could not *find a spare banqueting suite* in the Tower Thistle Hotel, and booked a bedroom for the morning instead.

In the wine bars and coffee shops of the City yesterday, all *talk was of the effects of the* blast. One broker – whose *business had not been affected* – said: "Hitler could not shake the spirit of the City and it will take more than a few bombs from the IRA."

A receptionist from St Paul Fire and Marine Insurance, which was operating in damaged premises on Lime Street, said: "It is frightening. All the bomb scares make me very apprehensive. I am just wondering where the next one will be. But I will carry on business as normal - you can't let them stop you."

The regional director of a *major UK clearing bank, puffing* on his cigar, said cynically: "*I have seen it before, hurricanes,* train strikes and so on. *It will be the* Dunkirk spirit for a day and then it will all die down. We need to capitalise on it today to get the bulk of the work done."

One office-less executive added angrily: "Whatever the IRA do they are not going to threaten the viability of London *as a major financial centre.* It will continue to make a *valuable contribution to the* invisible earnings of the UK."

Mr David Swinglad, an employee with Trinity Insurance, located opposite the Commercial Union building, said: "I had a window on my desk when I came in this morning, so I just changed desks and *hoovered up and carried on.*"

Homeless companies stir property market

By Vanessa Houlder, Property Correspondent

THE City, where one-in-five office buildings is empty, is well placed to accommodate the 40 or so companies displaced by Friday's bombing.

There was even reluctant acknowledgement that putting *1m sq ft of office space temporarily* out of action could help the depressed property industry. Mr Trevor Osborne, chairman of property company Speyhawk, said: "There will be some benefit to the market. This means a number of occupiers are seeking space and urgently."

Speyhawk's Exchequer Court building in St Mary Axe will cost "tens of million" to repair and may need to be demolished, according to Mr Osborne. But as it is fully insured and may have difficulty finding tenants, delay in its completion could take some *pressure off the company.*

The Corporation of London *said no buildings would need* to be totally demolished. However, 10 buildings in St Mary Axe, including the Baltic Exchange, the Chamber of Shipping and the Royal Bank of Scotland were severely damaged.

A total of 200 buildings were damaged, with 100 badly affected. The damage and associated losses may reach £300m and replacing glass will take a month or more.

Rosehaugh Stanhope Developments worked through the weekend to find accommodation for tenants, such as Commercial Union Asset Manage*ment,* the European Bank of Reconstruction and Develop*ment, and Quilter Goodison* in its Broadgate complex at rents of £40 per sq ft.

Mr Kevin McGovern of RSD said: "We are not looking to exploit the circumstances. We want to dispel any notion that this is a strategic long-term solution for us. We are just trying to get people back to work."

Colin Beere

Glass houses: replacing windows at the *Commercial Union building will take at least* 15 weeks *and cost* £1.5m, according to the company which fitted the glass. Each of the 25 floors has 80 windows measuring 4 metres by 2 metres

Fears over foreign opinion

By Simon London and Danny Green

THE acres of vacant office space in the City proved a *blessing* to overseas institutions made homeless by Friday's *bombing.* Most found new premises before the financial markets *opened yesterday,* many through a network of contacts among *senior* Japanese bankers.

The practical problems were quickly solved, but a wider question is whether foreign banks and securities firms will reconsider locating in London in the light of continued terrorist activity. Institutions affected by Friday's bomb said that terrorism would make no *difference.*

Mr Kaneo Muromachi, general manager of Sanwa Bank in London, said: "We are certainly angry and *frustrated,* but this does not change anything fundamental. There are many factors to consider. This is not critical."

But terrorist attacks could have a long-term effect on the *thinking* of senior banking executives abroad. The bomb *blast, in which* 19 Japanese bank workers were injured, was given extensive coverage on Japanese television.

Sanwa Bank, previously on the seventh floor of the Commercial Union building devasted in Friday's attack, has moved to Bucklersbury *House, Walbrook, occupied* until earlier this year by the Industrial Bank *of Japan.*

Daiwa Bank, which occupied the 11th floor of the Commercial Union tower, has moved to the King Street offices formerly home to Mitsubishi Bank. Daiwa Capital Management, the bank's capital markets operation, has moved into *Monument Street offices that* housed Nomura International until *last* year.

Both firms said securities trading had suffered only slight disruption because duplicate records of securities holdings and settlements were stored away from the main offices.

Sanwa Bank has back-up *record storage facilities* in Hammersmith, west London, and a remote computer centre in Docklands. Securities business was yesterday being conducted through a London-based affiliate, Towa Securities.

Daiwa Capital Management said that most *securities* in settlement had been located by *the end of the day.* "There are only a few bits and pieces missing."

● Ten years ago a bomb in the City could have crippled financial institutions by destroying computers. However, soaring rents and falling telephone tariffs in the 1980s persuaded *finance directors* to send data processing departments *out of town.*

Staff at Robertson Hiscox, a *Lloyd's* agency caught in the blast, worked through the weekend to restore computer services. "We carried out some machines by hand. The casings were damaged by shards of glass but software has survived," said Mr *Bob Bates,* the data processing manager. "Our disaster plan worked extremely well."

Cassidy *Davies,* another Lloyd's agency, had put its main *computer* on another site. Ms Beryl Hobson, the *marketing* director, said that important documents in the bomb-damaged offices had been held in fireproof safes and were able to be retrieved.

Challenge to sustain commercial heartbeat

By Catherine Milton

PROTECTING the image of *London's commercial heart* was the Corporation of London's toughest challenge after the explosion that damaged 200 buildings.

The bombing of the Stock Exchange a year ago made it clear to the Corporation that faith in the City as a place to do business could be shaken by a terrorist attack.

Within 60 hours of Friday's bomb, it had contacted nearly all the 36 companies known to be affected and helped arrange relocation. Yesterday morning at 9.30 nearly all were operating.

The clubbiness for which the *Square Mile is often criticised* worked to its advantage. Mr Peter Tudball, chairman of the Baltic Exchange could visit his friend, Sir Brian Jenkins, the lord mayor, and brief him over a gin and tonic.

Sir Brian was able to put him in touch with another *friend, Mr David Coleridge,* chairman of Lloyd's, the insurance market, to talk about alternative accommodation for the Baltic Exchange. Sir Brian said: "That's what the City is all about." Sir Brian was at *dinner when police contacted* him with news of the explo*sion. It* was his last proper meal until lunch yesterday.

He went straight to the scene where he met another old friend, Mr Owen Kelly, the commissioner of the City police, who had a list of all *businesses affected. The lord* mayor passed this to the City surveyor, Mr Ted Harthill, who manages the corporation's properties, and was able to put displaced businesses in touch with chartered surveyors who had office space.

Insurers face claims up to £1bn

By Richard Lapper

LONDON insurers could face insurance claims of up to £1bn as a result of the weekend's bomb blasts, according to industry analysts last night.

Damage to property in the City has been estimated *at* about £300m, but claims from *business interruption* and loss of profits could more than double the total loss to insurers. Analysts stress that "BI" claims were an important element of the £120m claim from the London Underwriting Centre in August last year – the UK's biggest property loss hitherto.

In addition to a number of very large claims from the owners of the Commercial Union tower and the Baltic Exchange, there is likely to be a plethora of smaller claims to pay for damage resulting from shock waves caused by the explosion in the City and the subsequent one at Staples Corner, in north London.

Mr Nicholas Balcombe, managing director of Balcombe Group, a loss *assessor acting* on behalf of some of the companies *affected by the Staples* Corner blast, said:

"We haven't seen this sort of damage before in England."

A number of factory units up to a quarter of a mile away from Staples Corner have sustained heavy damage.

"On the outside it looks as if there is no damage but you walk in and the place is crumbling about you. Inside the roof lights are broken and the suspended ceilings and partition walls have collapsed," said Mr Balcombe.

Overall losses will be high but are likely to be *widely* spread across the London market. The UK composite (general and life) companies could be badly hit.

Claims will aggravate the difficulties of insurers who have recently completed *reporting pre-tax losses* in excess of £1bn for last year.

Loss adjusters Robins, Davies & Little are still examining the extent of damage to the CU tower, but brokers estimated yesterday that the cost of physical damage alone could amount to more than £200m.

In the City the firmest indications of losses have come from the Baltic Exchange, the ship freight market badly damaged by the first blast on Friday night, where rebuilding costs would amount to £150m, according to Mr Peter Tudball, *chairman.*

Royal Insurance confirmed *that it led the exchange's* insurance placement.

Insurers are also likely to face dozens of more modest claims from tenants of scores of buildings in the vicinity.

Damage to windows and to the interiors of a number of offices has been surprisingly severe.

Mr Michael Wade, chairman of brokers Holman Wade which *occupies a building on Camomile* Street overlooking the Baltic Exchange, says that his company's claims for replaced windows alone will amount to more than £100,000.

At Staples Corner, the site of the second blast claims amounting to more than £50m are expected from the owners of as many as 15 factory and warehouse units.

A superstore owned by B & Q *destroyed* by the blast was adjacent to the the explosion, *but most other properties are* over a quarter of a mile away.

Capel resumes service by 7am

STAFF at James Capel, the securities house, worked through the weekend to construct a replacement dealing room after surveying damage *to its building* from the IRA's bomb, Andrew Jack writes.

Telephones, computers and furniture were installed in spare premises in Devonshire Square to provide a full dealing service by 7am yesterday.

The firm said: "It was a Herculean task but we built a whole separate dealing room on the chance we would not be allowed back into our premises."

Twenty staff assessed damage at the Bevis Marks site on Friday evening, and up to 100 people were involved around the clock at the weekend.

The Stock Exchange loaned 35 Topic screens carrying its share dealing information service, while Reuters provided trading screens and Midland Bank offered office equipment.

The firm's directors met on Sunday lunchtime to decide *which departments should* be reduced in number and which *staff would be essential* to permit trading at normal levels.

A team of staff called all Capel's 1,000 employees on Sunday night with instructions on where to attend in the morning. About 200 were told to remain at home. The settlement department moved to the Devonshire Square site, but many staff were allowed to go back to work in Bevis Marks.

Mr Peter Letley, finance director, said: "Both buildings are running smoothly."

Experts warn cities to prepare for further attacks

By Neil Buckley

TERRORISM *experts yesterday* warned London and other *cities to brace themselves for* further IRA attacks, but said it was impossible to predict the precise tactics the terrorists might use.

The explosions in the City and at Staples Corner in north *London on Friday were the* first IRA car bombs on the *mainland since the Harrods* bombing in 1983.

Some experts had suggested that this attack could mark a return to the use of imprecisely *aimed large bombs* rather than the smaller devices and *firebombs used on the* transport system and in shops. But Mr Ian Geldard, editor of Conflict International, a journal which monitors international terrorism, said: "I do think we are going to see more *actions,* but it is impossible to predict what tactics they *may* use and where."

The City, with its narrow streets, tall buildings – which tend to *magnify* the effect of explosions – and large areas of unsecured glass, has been shown to be a particularly vulnerable target. But Mr Geldard said this did not *necessarily* mean it would suffer repeat *attacks.* "*The IRA* is constantly changing its strategy and tactics. They have moved from targeting military bases to letter bombs, mortar bombs, and smaller devices aimed at transport, and now they've reverted *to car bombs. They try to keep* everyone guessing."

Experts believe the primary aim of Friday's bomb was to cause widespread damage and disruption, and that the large number of civilian casualties may have been the result of a miscalculation by the IRA, which was not expecting *so* many people still to be in the City in the evening.

"If they had really wanted to to cause massive civilian casualties they could have timed the bomb to go off at lunchtime," said *one* specialist. The timing of the Staples Corner explosion lent weight to *the* theory that causing damage rather than casualties was the main objective.

In the short term, Mr Owen Kelly, commissioner of the City of London police, said yesterday that he would *increase* the number of officers on the street and *conduct* more frequent checks of vehicles and people.

In the longer term, experts conceded little could be done to make a large area safe against car or parcel-type bombs without intruding into privacy. *Moreover, if such* intrusion became commonplace, the terrorists could be said to have succeeded in their aim of causing disruption.

Mr David Fletcher, chief executive of the British Security Industry Association, suggested that City companies *could set up* a network of video cameras constantly recording movements in surrounding streets. Many banks and building societies already monitor their premises with closed-circuit television and other companies *might* be persuaded to follow suit to produce near *City-wide* cover. Mr *Fletcher* said the threat of being caught was one of the few effective deterrents to terrorists. "If someone sees a camera and knows he might be recorded *doing* what he is doing, then he might decide not to do it."

Friday's bombing also highlighted how badly prepared *the* City was for such an attack. Mr John Wyatt, a *leading* anti-terrorism expert, said there were *several* relatively cheap ways of making buildings less *susceptible* to blast damage:

● Anti-shatter film on the inside of windows.

● Polymer-modified *gypsum* on internal plaster to stop plaster cracking into dangerous fragments.

● *Special* net curtains designed to billow inwards when glass shatters, keeping the fragments inside.

● Vulnerability assessments or demographic surveys by security consultants.

Companies may now decide that the relatively small expense of employing these damage limitation devices would be a sound investment.

THE BOMB attack on Staples Corner in north London, one of Britain's busiest road junc*tions, marks a new phase in* the IRA's campaign against the capital's transport system, Richard Tomkins writes.

Earlier attacks have involved relatively small devices on the London Under*ground or at main* British Rail stations.

Hitting a key element of the trunk road network disrupts the journeys of a much wider cross-section of the public, including many business and industrial road users. The sheer size of the explosion means disruption not just for hours or days, but for weeks and possibly months.

The explosion took place at the point where the M1 motorway and A5 trunk *road, two of* the main traffic arteries to the north, disgorge their traffic into the London road system.

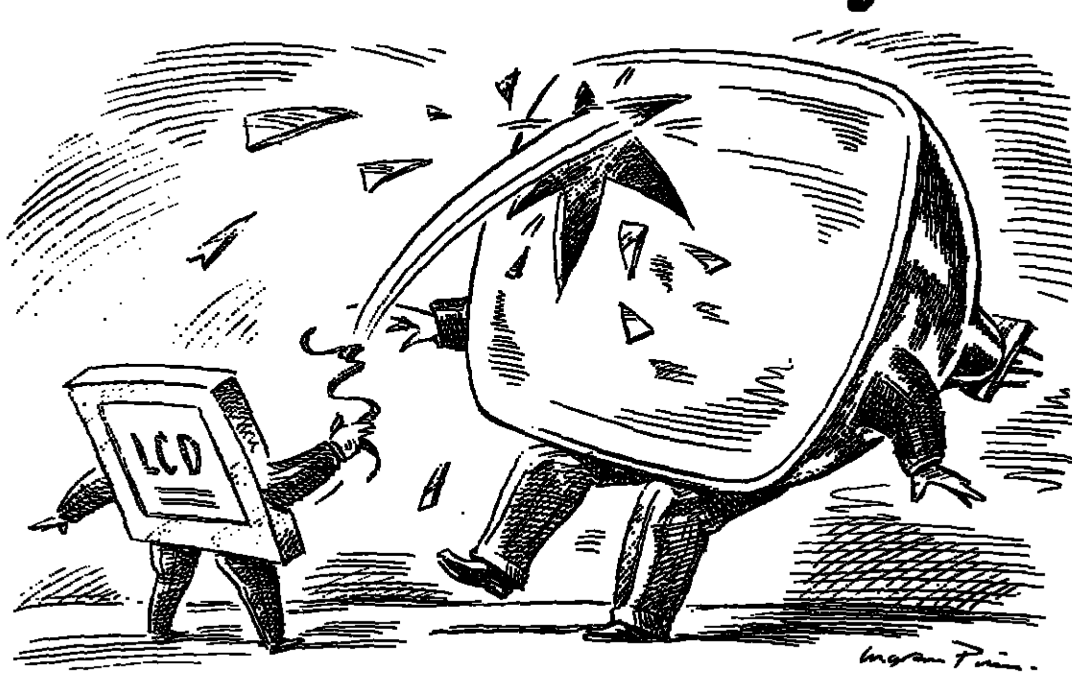
As well as blowing a crater in the Staples Corner roundabout, the force of the explo*sion went upwards* and stripped concrete off the reinforced box-girder bridge carrying the A5 over the junction. Highway engineers believe it may be possible to repair the bridge by recladding it with concrete, *but* are unlikely to reach a final verdict on the feasibility of this until after Easter. Meanwhile, the bridge and half the roundabout remain closed and traffic congestion is severe.

The *difficulty in preventing* a recurrence is that access to roads is even more open than it is to the railways and the Tube. The only grounds for suspicion may be that a vehicle is unlawfully parked. *But as* Scotland Yard said: "If we asked people to report *every sighting of* an illegally parked vehicle, we would end up in a state of chaos."

TECHNOLOGY

Steven Butler explains how the old-fashioned picture tube is fighting for life against liquid crystal displays

Coming soon to a screen near you



One of the great inventions of the 20th century, the cathode ray tube (CRT), is heading towards obsolescence. The challenger in the vast and constantly growing market for television and computer screens is liquid crystal.

The quality of liquid crystal display (LCD) screens – which are thin, flat and portable – has leapt forward in recent years. Sharp, the Japanese electronics company, sold the world's first calculators with LCD screens in 1973. After nearly two decades of research and development, however, LCD panels on personal computers are still seen as a poor substitute for the CRT.

Yet this view is quickly becoming outdated. Sharp is now marketing 8.6-inch colour televisions in Japan with brilliant colours and fast response. NEC last year began marketing portable computers with full-colour LCD screens using the most sophisticated thin film transistor (TFT) technology, in which contrast and response time are boosted by adding a transistor to each display cell or pixel. IBM recently announced a similar product.

While brightness and the restricted viewing angle on LCD screens need to be improved, the quality of these screens will gradually change the popular perception that LCD is a second-rate technology. Even more important, manufacturing yields on high-end products for this extremely difficult device are beginning to approach respectability, raising the prospect of a classic virtuous circle in new product technology. As yields rise, manufacturing costs and prices are dropping rapidly. This in turn is stimulating growth in the market, which again encourages more investment, improved technology and lower prices still.

Japanese companies, the only significant producers, are talking about a quadrupling of the market in a few years, compared with 1991 production of Y255bn. Last year production grew by 40 per cent, compared with 33 per cent average growth in the past five years. LCD screens have become one of the few bright spots in an otherwise dull outlook for the electronics industry.

Few people, other than television picture tube manufacturers, will mourn the decline of the CRT. Anyone who has gone home bleary-eyed after spending the day staring into the flickering display of a personal computer knows why it needs to go. The flickering may be faster than the eye can perceive, but it still causes fatigue. The latest LCD screens, by contrast, display a solid, sharp image that holds steady.

Worries about electromagnetic radiation fields surrounding the CRT, and its effect on pregnant women, will also hasten its demise for many uses. CRTs are bulky, heavy, use lots of electricity and cannot be made perfectly flat, unlike LCD panels. Yet in spite of its drawbacks, the CRT will not be easy to replace because the technology is so well established.

In the past year electronics giants such as Sharp, Matsushita, NEC, Canon, and Toshiba and IBM (in a joint venture) have joined a race to meet growing demand by committing hundreds of millions of dollars to manufacture colour LCD screens.

Liquid crystals, which display properties of both solids and liquids, were first discovered in 1888, but it was not until 1963 that scientists at RCA, the US electronics group, discovered the principle that lies behind all LCD displays: that an electrical charge causes liquid crystal molecules to realign and rechannel light waves.

In simple LCD devices, known as twisted nematic (TN), liquid crystal molecules are held in a double sandwich of polarising filters and glass plates. The filters sit on the outside of the sandwich and are turned at 90 degrees, which blocks light passing straight through the glass.

The liquid crystal, however, is also aligned at 90 degrees by grooves in the glass. This causes the light to twist and the filters to be neutralised. But when electricity is applied to the liquid crystal, the molecules straighten and the light is again blocked by the filter. The end result is that display cells can be made to lighten or darken as their opaqueness is switched off or on by electricity.

Unfortunately, however, when a display is increased in size the contrast between dark and light areas of the screen tends to decline. To compensate for this, LCD makers have sought to increase the twisting effect and thereby heighten contrast as light is refracted.

In "super twisted" nematic displays (STN) light is twisted by between 180 and 260 degrees, producing the blue screens familiar to portable and laptop computer users. In "double super twisted" nematic (DSTN) displays, two STN cells are used, twisting the light one direction and then back, so that light of high contrast is possible.

In a final variation of this theme, "triple super twisted" nematic (TSTN), refracting polymer film is applied to the STN cell, allowing thinner displays with a high degree of contrast, thus permitting colour display when red-blue-green filters are attached to the cells.

These elaborations on the simple LCD mechanism, however, have a range of shortcomings. While the TN contrast ratio of 1:6 is increased to 1:20 for TSTN, this is still insufficient to reproduce the entire range of colours familiar in a colour picture tube. Furthermore, response times of 150 milliseconds are insufficient to keep up with moving video images, and cannot track a mouse moving across a screen.

In answer to these shortcomings, the industry is moving in two directions. Most companies are improving displays by adding a tiny transistor to each cell in order to increase the charging power. This technology, called thin film transistor, boasts a contrast ratio of 1:100, allowing for full-colour displays and response times fast enough for video display. The result, however, is a device of staggering complexity, including at least 10 layers of materials, finely etched circuitry, and transistors that are shorted out by a microscopic speck of dust.

Canon, the camera and office equipment company, is moving in a different direction, using a proprietary technology that is likely to grab a big section of the market for engineering workstations and desktop publishing.

Canon's "ferroelectric" displays use a liquid crystal material which responds more quickly to electrical charges. The molecules are more difficult to align and control than normal liquid crystal chemicals, yet after solving these problems Canon has developed a screen that has higher contrast and faster response times than other simple matrix systems. The screen also promises to be much cheaper to mass produce than TFT screens because no transistors are required.

The relative sensitivity to shock of ferroelectric displays makes them unsuitable for portable computers, however, and the response time is insufficient for video. Colour reproduction is also inferior to TFT, although photographs can be displayed with sufficient fidelity to allow easy computer editing.

Yet the remarkable high quality and stability of the display – looking almost like printed paper behind glass – could make it the biggest threat yet to the CRT in offices. Indeed, when Canon finishes a new manufacturing facility in 1994, it will enter the market at the high end, with 15-inch screens which it hopes eventually to sell at a price similar to that of the CRT.

The CRT looks likely to prevail for TV picture tubes larger than 15 or so inches. This is because large LCD screens are still too difficult to make. But beyond 36 inches LCD once again comes into its own as the core of video projection devices, including high-definition television.

Yet the technology for LCD has been evolving so rapidly that it is difficult to project how the market will develop. Research into a range of radically different approaches to flat panel displays is also continuing apace. The inherent complexity of LCD manufacture, has raised fears that it could be made obsolete quickly by a simpler technology.

The investment by electronics companies into LCD manufacturing facilities is an impressive sign that the technology has come of age. This commitment by the industry itself should help the market to become established quickly.

A further article on LCD technology, addressing the manufacturing challenges, will appear on Thursday.

Technically Speaking

Making virtual reality a certainty

By Alan Cane

IN A handful of laboratories around Britain, strangely garbed figures gesticulate into empty space. They are experimenting with "virtual reality", an advanced form of computer simulation which many believe could make a profound contribution to most activities where humans interact with computer systems.

Leisure, in the form of advanced video games, is an obvious application. Education, training and scientific research are other possibilities.

But virtual reality does itself no favours with a name redolent of science fiction and alien worlds. The apparatus needed to make it work serves also to drive a wedge between VR evangelists and other people. This may be the most difficult barrier to finding general acceptance and support for a technology which could prove as important as Apple Computer's windows and mice in demystifying data processing.

A helmet must be worn bearing "accelerometers" which calculate where the eyes are looking; a pair of miniature television screens beam the correct image directly into the eyes. A heavily wired glove must be worn to allow tactic sensations – the feeling of moving a molecule from one site to another like balls or a snooker table, perhaps, or holding a ray gun to zap imaginary opponents.

W Industries, a UK-based leader in VR, calls its helmet the "visette", its tactile device the "space stick" and its VR computer "expality".

Stripped of the science fiction aura, however, VR is simply a kind of sophisticated computer simulation in which the UK seems especially skilled. Well-established software houses like Admiral, for example, build traditional simulators to train the pilots of the British and foreign air forces.

The five-year old W Industries, founded by Jonathan Waldern and based in Birmingham, took a year to build its first arcade game and now has 170 units installed worldwide at more than £25,000 a system. The Trocadero Centre in London's West End houses a number of examples of "Virtuality", as Waldern describes his creation. It has been funded to the tune of £2.4m by Apax Partners with a view to flotation in three years.

Division, a tiny company formed in 1989 by a group of researchers in parallel processing, has signed an agreement with International Business Machines to develop a computer-aided design workstation based on VR. The idea will be to take in patterns from existing computer-aided design systems and convert them into three-dimensional worlds.

Hull University, meanwhile, has appointed Europe's first university chair in VR. Roy Kalawsky, a chief engineer at British Aerospace, has been appointed visiting professor of virtual reality environments.

The astonishing thing about VR is how inexpensive it has become to create advanced simulators. Division's transputer-based parallel processing system starts at £30,000. W Industries's arcade machines are based on Commodore Amiga personal computers.

The interface hardware, however, is primitive. You can call a wired helmet and glove a visette and spacestick but it is still a cumbersome way to communicate with a computer. The analogy has to be with the earliest computers when the teletype was the only way to input or retrieve information. Inevitably, there will be improvements.

The real secret of VR lies in the software. W Industries is building a library of games to add to its jump jet, space battle and stock car racing simulators.

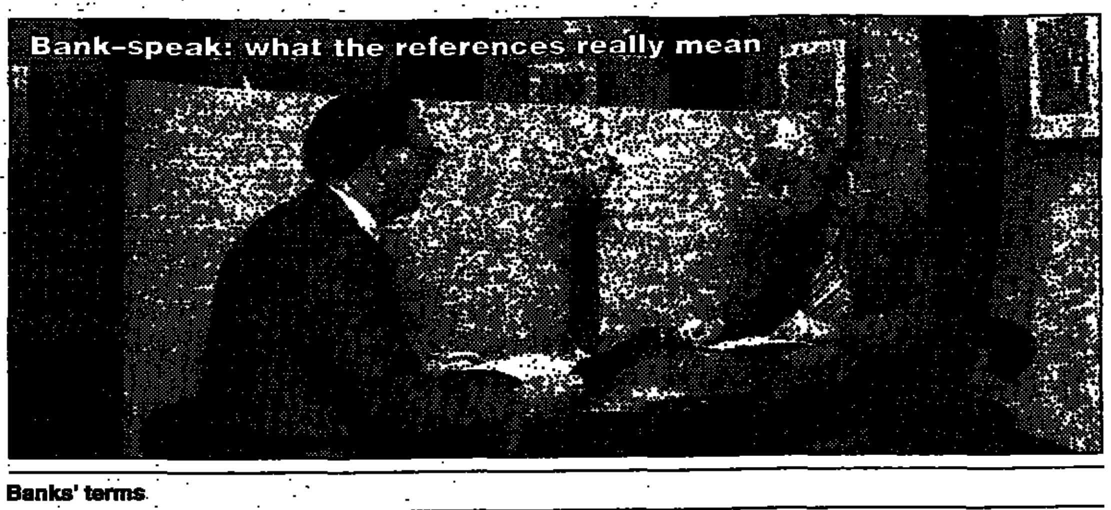
Division is trying to create a new way of communicating with the computer for as whole range of activities from business statistics to pharmaceutical research.

Companies like Microsoft have garnered a fortune from computer interfaces a hundredth the sophistication of what W Industries and Division are trying to achieve. VR could be the UK's toehold in tomorrow's computing. It would be sad if its real significance was trivialised by hyperbole and futuristic glitter.

MANAGEMENT: THE GROWING BUSINESS

When bankers talk in mumbo-jumbo

Charles Batchelor reads between the lines of credit reports



Banks' terms	
"Undoubted"	Highest praise. Not too common
"Highly respectable"	Indication that applicant is sound and further inquiries not necessary
"Respectable..."	Usually qualified as below
"Respectable – considered good for your inquiry"	Satisfactory
"Respectable but unable to speak for your figure"	Satisfactory but never tried to the limit requested, ie. unknown
"Figures larger than we expected to see"	Pause. Check further. Biting off a bit much
"Unable to speak for your inquiry"	Damning. (Or else a new account – in which case why was this bank given as a reference?)

You should always

– Specify a figure

– Use a figure at least 100 per cent more than necessary

– Beware if bank reply does not use adjectives such as "honest", "respectable", "trustworthy", or similar

Just three weeks after one of John James' haulage companies started doing business with a new customer, the customer's bank pulled the plug and John James was left with a bad debt of £21,000.

What was particularly galling was the fact that James had only started doing business on the basis of a favourable reference from the customer's bank.

"I felt very aggrieved," says James, *chairman of Star Cargo*, a Harpenden, Hertfordshire-based transport group. "We had asked for a bank reference to cover £30,000 and the bank had said that the customer was acceptable."

An exchange of letters with the bank's legal department gave no satisfaction. "The bank said it had no liability and suggested in so many words that we go away," recalls James. He believes that banks should compensate customers when the time between a reference and the company failing is very short.

Star Cargo's experience highlights a long-standing unease among businesses about the value of bank references. The ferocity of the present recession has meant that the 'shelf-life' of a reference may be very limited.

"There is often a short time-scale in business closure which can catch bank and trade creditors unawares," comments Pat Oakley, in charge of Lloyds Bank's small business division. Lloyds is currently reviewing its procedures for providing references.

"There is a degree of dissatisfaction among our members about bank references," says Dave Harrop, a spokesman for the Forum of Private Business, a small business lobby group. "On their own, bank references are pretty unreliable."

Among the complaints which business organisations voice about bank references are:

● They are couched in such oblique terms that, at best, they provide a very limited view of the customer's position. At worst they mislead the inquirer.

The neutral terminology employed by the banks is used to protect their customers' reputations and the banks' own legal position.

"The banks use mumbo-jumbo which can be misleading for those who don't understand the terminology," says Peter Allen, chairman of the Institute of Credit Management. "If they used modern-day language, it would make them think more about the references they give."

● Businesses believe that bank managers face a conflict of interest which means they cannot be fully honest about their customers. "Banks don't like to give a bad reference because sooner or later, the client will find out," says Allen.

"It is difficult," acknowledges Bruce Kelsall, head of marketing communications at Barclays Bank. "You have to be careful not to say something which is detrimental to the interests of the customer. There is a delicate line between honesty and that."

● Bank managers are sometimes kept in ignorance of their customers' financial difficulties. "One of the last people the businessman wants to alienate is his bank manager," comments Philip Mellor, spokesman for Dun & Bradstreet International, a credit rating and business information group.

● A bank reference is, strictly speaking, only valid at the time when it is given, although a business is normally expecting to trade for several months with the customer who is the subject of the inquiry. "It is purely there for that day. It is a snapshot," says Lloyds Bank's Pat Oakley.

This limited view of the validity of the bank's opinion not only contrasts with the expectations of the average business; it does not reflect the banks' own expectations when seeking references on their own behalf. "When we take references for our own purposes, we would update them every six months," says Barclays' Bruce Kelsall. "We would advise our customers to do the same."

● The banks will accept no responsibility for the opinion they give.

References are unsigned (though they are given on bank headed notepaper) and carry a disclaimer that they are "without any guarantee or responsibility on the part of this bank or its officials".

Clam-Brummer, an east London manufacturer of industrial adhesives, says one of its customers was put into receivership by its bank six *days after the bank had provided* a satisfactory reference. Unfortunately, Clam-Brummer had already made a £1,000 delivery.

It continues to use bank references on new customers as a rough filter to weed out the unscrupulous customer but places more reliance on trade references, says Jane Lyon, managing director.

But bank references do offer a number of advantages:

● They are often the only way of checking up on the newly-started business or the small, unincorporated business which has yet to attract the attention of the credit reference agencies.

● If the bank manager has good contacts with his customer, he may have more up-to-date information than a credit reference agency which will only update its files on smaller companies relatively infrequently.

● They are either free or relatively cheap. TSB charges a £6 fee (plus VAT) to inquirers; Barclays £6.50; and Lloyds £7. However businesses which make extensive use of bank *references can run up sizeable bills.* Star Cargo makes between 100 and 300 inquiries a week and spent £10,000 in a recent quarter.

Bank references owe much of their continuing popularity to the limitations of the alternative methods. Trade references are preferred by many companies but they, too, are subject to manipulation. A company will only suggest referees which it knows will give a favourable report. A back-up telephone call can, however, fill in gaps and probe any inconsistencies.

Credit rating agencies provide a comprehensive service with a frequently exhaustive wealth of assessments of company performance. But despite the protestations of the agencies that they update their files regularly, many businesses suspect that much of their information, based on accounts filed at Companies House, is out of date.

A credit agency reference is also more expensive than a bank reference. Dun & Bradstreet says a one-off request for information would cost £45 plus VAT, though the average cost to a subscriber would be nearer £25. D&B does however also operate a more basic telephone inquiry line known as Dunsvoice which costs £8 per call.

Despite the more thorough and impartial reports provided by the credit rating agencies, the bank reference has retained a role. It provides a cheap and speedy check on customers but should not be relied on as the only source of information.

—In a— Nutshell

Getting your own back on VAT

Businessmen and women can, in theory, reclaim the Value Added Tax (VAT) they pay on expenses incurred during trips abroad. In practice the amounts are often too small and the red tape too complex to make it worthwhile to pursue.

VAT rules and rates differ from country to country in Europe with VAT reclaimable, for example, on the cost of car hire in Belgium, but not recoverable in Eire or Greece.

The VAT Clearing House says it offers a VAT recovery service which will allow business travellers in Europe to reclaim VAT paid on items such as hotel bills, meals, car hire, conferences and exhibitions. It charges 12.5 per cent of the VAT recovered regardless of the size of the claim.

VAT Clearing House, 80 Ebury Street, London SW1W 9QD. Tel 071 730 8705.

Lifting the lid on venture capitalists

Venture capital has become well established as a method of financing businesses over the past decade but many entrepreneurs are still puzzled by the workings of the industry. A Guide to Venture Capital* has been published by the British Venture Capital Association (BVCA) to help the seeker after venture funding.

It covers topics such as whether to raise venture capital, *how to choose an investor and* how an investor appraises a business plan. It provides a guide to living with a venture capitalist as a shareholder, the role of professional advisers and ways of realising investments.

**From BVCA Secretariat, 3 Catherine Place, London SW1E 6DX. Tel 071 233 5212. 36 pages. Free.*

Chambers chase quality standards

Three UK chambers of commerce have had their quality control procedures approved by the Association of British Chambers of Commerce as a further step in the association's programme to improve services to members.

Chambers in Birmingham, Kirklees and Norwich have been approved and a further 20 should reach this stage by the end of the year. Approval by the association's own inspectors is intended to be the first stage in a process leading to accreditation under the British Standard Institution's quality control standard, BS 5750.

Chambers must meet minimum standards of export assistance, business information, education and training.

Backward in coming forward to claim cash

Small businesses frequently complain about how slowly their customers settle debts but they are reluctant to do anything about it. Eighty per cent of small businesses have suffered cash flow *problems as a result of* being owed money but only 20 per cent take action to pursue this money within 10 days, according to a survey* by REL Consultancy Group.

More than half waited until the money was at least two weeks overdue before making contact with the debtor while three quarters continued supplying customers who were at least 30 days late.

Half of the respondents to the survey never employed a third party such as a debt collection agency to recover a debt.

**The Impact of Overdue Debt on Investment and Capital Expenditure. REL, Park Gate, 21 Tothill Street, London SW1H 9LL. Tel 071 222 1212.*

Landlords learn how to pull customers

The upheavals in the brewing industry which followed the publication of the Monopolies and Mergers Commission report in 1989 have prompted increased demand for business training for pub landlords.

Inntrepreneur, a pub leasing company owned by GrandMet Estates, provides a pub training course for new licensees for a fee of £560 plus VAT repayable if the participant takes a pub on through the company.

Existing leaseholders in Bass pubs can improve their business skills under a training programme devised by the Sheffield Enterprise Agency (Senta), Sheffield Training and Enterprise Council and the Bass Lease Company.

Inntrepreneur. Tel 0844 261526. Senta Tel 0742 755721.

Major meat processing plant – Anglesey

A modern EC approved sheep and beef slaughter house and meat processing complex located in Anglesey is offered for sale. Annual turnover at the plant in 1991 exceeded £50 million selling to large high street multiples and to export markets, including Europe and the Middle East. The plant operates from a 30 acre site with substantial development potential.

Key features of the facilities are:

- Sheep abattoir (kill capacity 15,000 per week).
- Beef abattoir (kill capacity 2,000 per week).
- De-boning and cutting rooms.
- Carcass chill rooms (capacity 10,000 sheep, 1,000 cattle).
- Vac-pac box chillers (capacity 400 tonnes).
- Two blast freezers (capacity 80 tonnes).
- Cold store with mobile racking (capacity 1,200 tonnes).
- Pet food facility.
- Edible fat rendering plant.
- Hide salting and storing shed.
- Effluent plant.
- Lairage facilities (3,000 sheep, 400 cattle).
- 18 miles from Holyhead port and rail links.

For further information and details contact:
SRE Hancock, Joint Administrative Receiver, United Meat Packers (Wales) Limited, c/o Price Waterhouse, Livery House, 169 Edmund Street, Birmingham B3 2JB. Tel: 021-200 3000. Fax: 021-200 2902.

Price Waterhouse

Touche Ross

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The Joint Administrative Receivers, N. R. Lyle and A. R. Houghton, offer for sale as a going concern, the business of Peter Jones (Enterprises) Limited.

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- Substantial leasehold warehouse/cash and carry.

For further information please contact Tom Burton at the address below.

PO Box 810, Friary Court, 65 Crutched Friars, London EC3N 2NP.
Tel: 071 936 3000. Fax: 071 480 6881.

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- Established brand name
- Loyal and skilled workforce of 130 employees
- Blue chip customer base
- State of the art plant and machinery

For further details please contact Graham Ritchie or John Hall, Ernst & Young, 17 Abercromby Place, Edinburgh EH3 6LT. Telephone: 031-556 8641. Fax. 031-558 1065.

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BUSINESS FOR SALE
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The business and assets comprising a chalet and caravan park, are for sale by its receiver, Mr Alan Jamieson.

- 8 acre site.
- Feuhold title.
- 42 chalet plots; 69 static caravan pitches occupied.
- 27 further plots available.
- Leisure complex.
- Trout fishing rights.
- Easy access to town centre and Cairngorm ski area.

For further details contact Roy Durie or Alastair Coates at: Ryden, Property Consultants & Chartered Surveyors, 46 Castle Street, Edinburgh EH2 3BN. Tel: 031-225 6612. Fax: 031-225 5766.

Price Waterhouse

Rice Mill
Business For Sale
North Kent

The Joint Administrative Receivers of Medway Rice Company Limited offer the assets of the business for sale as a going concern:

- Modern freehold factory, 10,000 sq. ft.
- Situated directly on the River Medway with jetty and storage facilities providing access for vessels of up to 1,000 tonnes
- Production capacity of 5 to 10 tonnes per hour
- Located in an enterprise zone
- Sound customer base

Interested parties should please contact:
The Joint Administrative Receiver
quoting reference: L2200

Levy Gee & Partners
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56 Dingwall Road, Croydon CR0 0XH
Tel: 081-681 8389 Fax: 081-681 8402

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FOR SALE
Dublin Cargo Handling Limited
(In Liquidation)

The official Liquidator of Dublin Cargo Handling group offers for sale its assets located at Dublin Port.

FOR FURTHER INFORMATION CONTACT:
John Donnelly, Deloitte & Touche, Official Liquidator, Dublin Cargo Handling Limited, (In Liquidation), Deloitte and Touche House, Earlsfort Terrace, Dublin 2, Ireland. Telephone: Dublin 754433. Fax: Dublin 756622.

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The above company is an office and commercial removals specialist and also generates substantial turnover from warehouse storage and crate hire operations.

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- Annual turnover £1.4m
- Substantial sole contractor client base
- Order book in excess of £500k
- Established storage income of approximately £100k

For further details, please contact the Joint Administrative Receiver: Scott Barnes, Grant Thornton, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. Tel: 071 383 5100 Fax: 071 383 4077

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For further information contact Mike Oldham or Nicholas Rae on 071-637 5377 at the offices of Smith & Williamson, No. 1 Riding House Street, London W1A 3AS. Fax: 071-323 5683.

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For further details, please apply in writing or by fax to Kate Creighton, Ernst & Young Corporate Finance, Becket House, 1 Lambeth Palace Road, London, SE1 7EU. Fax No: 071-931 3433.

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Patrick Ryan
Tel: 071-486 4231
Fax: 071-935 4032

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Andrew Duncan/
Michael Wellard
Tel: 071-493 2550
Fax: 071-629 9444

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Principals only are invited to write for further details to: The Chairman, Box H6732, Financial Times, One Southwark Bridge, London SE1 9HL.

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PACKING & DISTRIBUTION BUSINESS for sale (Bedfordshire). £510,000 turnover, £44,000 net on accounts. Established 6 years. £59,500 including stock, vehicles & equipment. Write Box H6705, Financial Times, One Southwark Bridge, London SE1 9HL.

THE BUSINESS SECTION appears Every Tuesday & Saturday. Please contact Melanie Miles on 071-873 3308 or write to her at The Financial Times, One Southwark Bridge, London SE1 9HL.

BUSINESSES FOR SALE

ISIS

Isis Group plc

The Joint Administrative Receivers, RW Birchall and JP Considine, offer for sale the business and assets of the Group and its principal subsidiaries.

The Group's headquarters is based at Marshgate, Swindon and has freehold property of 2.33 acres comprising a mixed commercial complex of workshops, offices and industrial units.

Isis Construction Limited

Principal features of the business include:

- based in Swindon
- major industrial and commercial building contractor
- turnover approximately £30 million p.a.
- major contracts available for novation.

The Wessex Guild Limited

Principal features of the business include:

- manufacturer and installer of high quality architectural metalwork
- manufacturing facility in Swindon
- turnover approximately £3 million p.a.
- 25 staff.

Isis Pneumatics Limited

Principal features of the business include:

- sale, installation, hire and servicing of air compressors and pneumatic equipment
- *turnover approximately £4 million p.a.*
- 50 staff
- depots in Bristol, Poole and Newton Abbot.

For further information and sales particulars for each business contact RW Birchall F.C.A., The Joint Administrative Receiver at Cork Gully, 66 Queen Square, Bristol BS1 4JP. Telephone: 0272 277165. Fax: 0272 307008.

Cork Gully is authorised in the name of Coopers & Lybrand Deloitte by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Cork Gully

HOTEL & LEISURE BUSINESS

Riverside Lodge Hotel

The Joint Administrative Receivers, D J Waterhouse and DM Middleton, offer for sale the business and assets of this 100 bedroom hotel and leisure complex (part complete and trading) based in an attractive riverside location in Gateshead, Tyne & Wear. It offers a tremendous opportunity to complete and operate a major hotel and leisure facility for the North-East.

Principal features of the business include:

- 71 en suite bedrooms (in use), reception hall and lounge bar.
- 60 cover restaurant.
- Function suite (for 360) and syndicate room (for 25).
- Part completed extension with main bar and restaurant, leisure complex with swimming pool, 29 bedrooms and a meeting room.

For further information and sales particulars, contact our agents Robert Barry & Co. 21 Victoria Avenue, Harrogate, Yorkshire HG1 5RD. Telephone: 0423 566362. Fax: 0423 500043.

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SPECIALIST INTERIOR CONTRACTORS

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WED North & Sons Limited
Ronfarm Limited
(All in Liquidation)

The Joint Liquidators, John F Powell and Markos Pallos, offer for sale the business and assets of the above companies.

Principal features of the businesses include:

- established customer base including Blue Chip companies
- combined turnover approximately £2.6 million
- leasehold office and factory premises
- integrated business and flexible, skilled workforce.

For further information contact the Joint Liquidator, John F Powell or Robert Young at Cork Gully, 43 Temple Row, Birmingham B2 5JT. Telephone: 021 236 9966. Fax: 021 200 4040.

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Cork Gully

BERNARD PUMFREY GROUP LIMITED AND CERTAIN SUBSIDIARIES

(IN ADMINISTRATIVE RECEIVERSHIP)

The Joint Administrative Receivers offer for sale business and assets of the above group which comprises:

FREEHOLD PROPERTIES

* 4 acre building site and offices in Gainsborough. Planning permission for 77 dwellings recently expired
* 2 acre site and offices in Lincoln

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Established for over 90 years the Company is engaged in construction projects for Major Retailers, British Rail, Health and Local Authorities and private Architects and clients over a large part of England.

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The Company also has a heating division specialising in plumbing and heating to Domestic, Commercial and Industrial Schemes.

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For further information please contact:
G.S. Johal or S. Allport
Arthur Andersen
1 Victoria Square
Birmingham B1 1BD
Tel: 021 233 2101
Fax: 021 643 7647

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ARTHUR ANDERSEN

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- *SEC 55 - 3 May - 23 May 1992*
- *SEC 56 - 6 September - 26 September 1992*

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COMPANY NOTICES

UNILEVER N.V.

Rotterdam The Netherlands

ANNUAL GENERAL MEETING OF SHAREHOLDERS

On Wednesday, 6th May, 1992 at 10 30 a.m. in the "Kleine Zaal" of the "Concert-en Congresgebouw de Doelen", entrance Kruisplein 30, Rotterdam

AGENDA

1. **Consideration of the Annual Report for the 1991 financial year submitted by the Board of Directors.**
2. **Approval and adoption of the Annual Accounts and appropriation of the profit for the 1991 financial year.**
3. **Appointment of the members of the Board of Directors.**
4. **Appointment of Auditors.**
5. **Designation, in accordance with Articles 96 and 96a of Book 2 of the Netherlands Civil Code, of the Board of Directors as the Company body authorised in respect of the issue of shares in the Company.**
6. **Authorisation, in accordance with Article 98 of Book 2 of the Netherlands Civil Code, of the Board of Directors to purchase shares in the Company and trust certificates therefor**
7. **Questions.**

This agenda, the Report and Accounts for 1991, and the information to be provided in accordance with Article 392, para. 1, of Book 2 of the Netherlands Civil Code and the further documentation pertaining to the Agenda are available for inspection by shareholders and holders of certificates issued by N.V Nederlandsch Administratie- en Trustkantoor at the Company's office, Burg. s'Jacobplein 1, Rotterdam, and at the office of the Bank mentioned below, where copies may be obtained free of charge

(A) Holders of bearer shares wishing to attend the meeting either in person or by proxy appointed in writing must deposit their share certificates by Wednesday, 29th April, 1992 at the Company's office or at the office of the Midland Securities Services, Client Delivery, Stock Exchange Services, Suffolk House, 5 Laurence Pountney Hill, London EC4R 0EU or any of its branches. Upon production of the receipt then issued to them such holders will be admitted to the meeting.

(B) Holders of registered shares for which certificates have been issued in another form and holders of booked shares wishing to attend the meeting either in person or by proxy appointed in writing must notify the Company of their intention by letter, stating the numbers of the share certificates or of the bookings for the shares, which must reach Unilever N.V., Afdeling Effecten en Coupons, Burg s'Jacobplein 1, Rotterdam, The Netherlands, by Wednesday, 29th April, 1992.

(C) Holders of certificates for shares in Unilever N.V issued by N.V. Nederlandsch Administratie- en Trustkantoor of Amsterdam, "Nedamtrust certificates", wishing to attend the meeting without taking part in the voting must deposit such certificates by Wednesday 29th April, 1992 at any of the offices mentioned in (A) above. Upon production of the receipt then issued to them such Nedamtrust certificate holders will be admitted to the meeting.

(D) If holders of the certificates mentioned in (C) above wish to exercise voting rights at the meeting either in person or by proxy appointed in writing, by way of a two-way voting form, N.V. Nederlandsch Administratie- en Trustkantoor will exchange such certificates free of charge for original shares, which it will hold in the names of such holders at its own office (such office being the designated place of deposit in the event) and exchange the same again after the meeting free of charge for Nedamtrust certificates to be issued to such holders in accordance with the conditions of administration of those certificates. For such purposes holders must by Tuesday, 28th April, 1992 surrender their certificates for Fl 4 or a multiple thereof (but, in the case of certificates for 7% cumulative preference shares, representing a total nominal amount of Fl.1,000 or a multiple thereof) to N.V. Nederlandsch Administratie- en Trustkantoor, N.Z. Voorburgwal 326-328, Amsterdam. The certificates so surrendered must be accompanied by a form obtainable free of charge from N.V Nederlandsch Administratie- en Trustkantoor, Amsterdam. Upon production of the receipts then issued holders will be admitted to the meeting.

Rotterdam, 14th April, 1992 — THE BOARD OF DIRECTORS

CONTRACTS & TENDERS

PETROLEO BRASILEIRO S.A. - PETROBRAS

INTERNATIONAL COMPETITIVE BIDDING

CHANGES NOTICE OF BIDDING NOTICES No. 874.001/91

SCOPE: Purchase of centrifugal and reciprocating compressors for hydrogen duty, for the construction of the Hydrotreatment Process Unit *at the Presidente Bernardes Refinery, in Cubatao, SP.*

CHANGE IN THE DEADLINE FOR SUBMISSION OF BIDS:

PETROBRAS inform that the deadline for submission of bids have *been postponed to July 14, 1992 and that the address, time and* procedures established in the Bidding Notices will remain unaltered.

PETROLEO BRASILEIRO S.A. - PETROBRAS

INTERNATIONAL COMPETITIVE BIDDING

CHANGES NOTICE OF BIDDING NOTICES No. 849.001/91 AND No. 849.002/91

SCOPE: Purchase of coated pipes, in 8 and 10 inch diameters, in accordances with the sepcification API 5L GRADE X65, for the construction of the Parana-Santa Catarina (OPASC) and Reconcavo-Sul da Bahia (ORSUB) pipelines.

CHANGE IN THE DEADLINE FOR SUBMISSION OF BIDS:

PETROBRAS inform that the deadline for submission of bids have been postponed to Julne 02 and 03, 1992 and that the address, time and procedures established in the Bidding Notice will remain unaltered.

PETROLEO BRASILEIRO S.A. - PETROBRAS

INTERNATIONAL COMPETITIVE BIDDING

CHANGES NOTICE OF BIDDING No. 874.012/91

SCOPE: Purchase of 7 (seven) High Pressure Shell and Tube Heat Exchangers, H2 and H2S service, for the construction of the Hydrotreatment Process Unit at Presidente Bernardes Refinery, in Cubatao, SP.

CHANGE IN THE DEADLINE FOR SUBMISSION OF BIDS:

PETROBRAS inform that the deadline for submission of bids have been postponed to July 21, 1992 and that the address, time and procedures established in the Bidding Notices will remain unaltered.

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5TH and 6TH May 1992
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LEGAL NOTICES

MITSUIKKU LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above-named company will be held at: Cork Gully offices; Harman House, 1 George Street, Uxbridge UB8 1QQ on 15 April 1992 at 11.00 am for the purposes mentioned in sections 99 to 101 of the said Act.

A list of the names and addresses of the company's creditors may be inspected free of charge at: Harman House, 1 George Street, Uxbridge, UB8 1QQ between 10.00 am and 5.00 pm on 13 April 1992.

Creditors wishing to vote must lodge their proxies at Harman House, 1 George Street, Uxbridge, UB8 1QQ.

DATED 2 April 1992
By order of the Board — R Bowen, Director

BYTEX INTERNATIONAL CORPORATION LIMITED

Notice is hereby given that a meeting of the unsecured creditors of the above company will be held pursuant to section 48(2) of the Insolvency Act 1986 at the offices of KPMG Peat Marwick, Aquis Court, 31 Fishpool Street, St Albans, Herts AL3 4RF on 28 April 1992 at 10.30 am for the purpose of receiving the report on the Administrative Receivers and, if *thought fit, appointing a creditors' committee. A* creditor will be entitled to vote only if a written statement of claim is submitted for voting purposes. Any proxies that are intended to be used must be submitted to me before the meeting. A creditor whose claim is wholly secured is not entitled to attend or be *represented at the meeting.*

Date 9 April 1992
Antony B Thompson
Joint Administrative Receiver

LEGAL NOTICES

Company No: 1678056
Registered in England and Wales

INSOLVENCY ACT 1986
Resolutions of
J R PLASTICS LIMITED
PASSED 6 April 1992

At an extraordinary general meeting of the above named company duly convened and held at 43 Temple Row, Birmingham B2 5JT, on 6 April 1992 the following *resolutions were passed:* No 1 as extraordinary resolution and No 2 as an ordinary resolution.

1. That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable *to wind up the same* and THAT accordingly the company be wound up voluntarily.

2. THAT David John Comey, of Cork Gully, 43 Temple Row, Birmingham B2 5JT be and is hereby appointed liquidator of the company.

Dated - 6 April 1992
John Gerry - Chairman

At a meeting of creditors held on 6 April 1992 the creditors confirmed the appointed *of D J Comey as liquidator.*

Published notice of Creditors Meeting.
THE CLARENDON SCHOOL TRUST LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above-named company will be held at: Cork Gully, Oriel House, 55 Sheep Street, Northampton on 15 April 1992 at 3.00 pm for the purposes mentioned in Sections 99 to 101 of the said Act. A list of the names and addresses of the company's creditors may be inspected free of charge at Oriel House, 55 Sheep Street, Northampton between 10.00 am and 5.00 pm on 13 April 1992 and 14 April 1992. Creditors wishing to vote at the meeting must (unless they are individual creditors attending in person) lodge their proxies at Oriel House, 55 Sheep Street, Northampton no later than 12 noon 14 April 1992. Creditors must submit a proof of debt before voting and, unless they surrender their security, secured creditors must give particulars of their security and its value.

DATED this 3rd day of April 1992
BY ORDER OF THE GOVERNORS
Signed: J T Hansford, Chairman

PEOPLE

Rada's hands-off experience for Digital

"What specific experience do you have that qualifies you for this job?" If that standard question had been put at an interview to the man just appointed as Digital Equipment's European director of strategy, he would have answered in one word: "None."

Chilean-born Dr Juan Rada, who is to take up the post on May 1 at the age of 40, has never held a full-time industrial job. His previous career has been in management education, culminating in the director-generalship of the IMD international business school in Lausanne, Switzerland, where he was also professor of technology management.

"I've nevertheless worked *with* industry a lot, not least Digital itself," he says. "And being director-general of the school involved me very much in line-management work, including a merger."

IMD was formed in 1988-89 by amalgamating Geneva's IMI school with the IMEDE school in Lausanne. Oddly enough, Digital Europe's president and chief executive Pier Carlo Falotti is chairman of IMD's advisory council.

"We've been friends for years," adds Rada who will work closely with Falotti as his director of strategy and new initiatives, based in Geneva. "He's a man who practises management as I've learned it needs to be – a process of coaching your people to apply their own ideas and supporting them, as opposed to just bossing them around."

As for IMD, it is being run for the time being by Professor Xavier Gilbert while a committee looks for Rada's replacement. "I hear they have some very good candidates," he says.

Rada: strategic thinker

Salomon takes gilt from Greenwell

Salomon Brothers International, on a drive to increase its share of the gilts market, has hired 28-year-old Michael Brook, one of Greenwell Montagu Gilt-Edged's top young salesmen as an assistant director on the gilt-edged team.

While Salomon's gilts operation suffered after the US treasury bond rigging scandal last year, the US investment house claims now to be rebuilding successfully, and says it is poised to make effective use of the vastly increased supply of gilts expected over coming months.

Bob Pearce, head of gilt sales, says of Brook: "Money is not the over-riding thing in this appointment. It is more the potential for career development; if you subscribe to the idea of convergence of European bond markets on the way to a single currency, you have to believe there will be an increasing amount of cross-market activity. Ours is a shop where you can take full advantage of that (because of the strong presence in other European markets)."

Brook's departure is another blow for Greenwells which, as well as last year's senior defections, has just lost two other gilts salesmen to Goldman Sachs. While Greenwell's parent Midland denies that these moves will affect its position in the marketplace, attempts to capitalise on its gilts strength so as to develop a flourishing European bond business have so far come to little.

■ **Ron Reilly** has been promoted to md of PEERLESS FOOD PRODUCTS, a division of Acatos and Hutcheson; he succeeds **James Falconer** who has been appointed md of Pura Foods, the group's retail division.

■ **Anthony Orvis**, formerly md of Westmill Foods, part of ABF, has been appointed md of JLI's food processing division.

■ **Jonathan Radford**, group secretary of STAG FURNITURE HOLDINGS, has been appointed to the board.

■ **Jim McGill** has been appointed treasurer of HERTZ EUROPE; he moves from Arjo Wiggins Appleton.

■ **Conor McCarthy** has been promoted to chief executive of AER LINGUS COMMUTER.

■ **Philip Yea**, currently director of financial control at Guinness, is appointed finance director of GUINNESS BREWING WORLDWIDE.

■ **Gordon Midgley** is appointed director and general manager of Dunlop Precision, part of BTR.

■ **Jack Criswell** has been promoted to md of AMOCO (UK) EXPLORATION on the retirement of **Charles Carr Jr**.

■ **Robert Bowden**, formerly a senior partner of Conrad Ritblat, has been appointed property investment director of THE BRITISH LAND CORPORATION.

■ **Tony Maynard** has been promoted from marketing director to become md of Parker Knoll, part of CORNWELL PARKER. **Martin Fear**, formerly design director of Derwent Upholstery, part of Hillsdown, will become md of GP&J Baker, another subsidiary, from July; **John Kitching** resigned in December.

■ **John Gerry** has been appointed md of WICKES BUILDING SUPPLIES.

■ **Andrew Jenkinson** is promoted from finance manager for Prudential Financial Services to become finance director of PRUDENTIAL PORTFOLIO MANAGERS.

Thorn executive switches to B&J

After the shareholder-inspired board room shake-up at Brown and Jackson in February, the group, which runs the Poundstretcher discount retail chain, has now appointed a new finance director. He is Robert Ellis, who used to work for the rental division of Thorn EMI, the consumer electronics company.

It can be no coincidence that Ian Gray, who was brought in as chief executive in February by institutional shareholders, was formerly in charge of Thorn's UK rental division. Gray says B&J now has "the management structure, the skills and the experience" to exploit the group's strengths.

The former finance director, Mike Kerrison, is staying on the board, and Henry Bliss is dropping the post of corporate development director but taking up a new role in the group.

Tarmac stiffens its board

Tarmac, Britain's biggest building materials and construction group, has taken a further step in strengthening its board. Sir John Banham (right), the retiring director general of the Confederation of British Industry, and Sir Anthony Gill (far right), chairman and chief executive of Lucas Industries, have been appointed non-executive directors.

The move to add two well-connected names to the board comes just two months after the 58-year-old Sir Eric Pountain, Tarmac's chairman for the past 13 years, handed over the chief executive's baton to Neville Simms, 47, head of the group's construction division.

Although there are several non-executive directors on the Tarmac board, there has been a feeling in some circles that it could do with some rejuvenation. The Duchess of Devonshire and Sir Nicholas Henderson, the two outgoing non-executives, are both in their 70s and have been on the board since the early 1980s.

Sir John, 51, became director general of the CBI in 1987 after four years as controller of the Audit Commission. Sir Anthony, 62, who has headed Lucas since 1987, joins the board with immediate effect. Sir John's appointment takes effect from July when he steps down from the CBI and will also join Sir Anthony as a non-exec at National Power.

FT LAW REPORTS

Fayed disciplinary decision stands

REGINA v PANEL ON TAKEOVERS AND MERGERS, EX PARTE FAYED AND OTHERS
Court of Appeal (Lord Justice Neill, Lord Justice Scott and Lord Justice Steyn): April 3 1992

A PERSON who is subject to disciplinary proceedings by the Panel on Takeovers and Mergers has no legitimate expectation that the Panel will await the outcome of pending litigation against him before conducting those proceedings; and the court will not intervene to halt the proceedings if there is no arguable case that they would be likely to prejudice the conduct or trial of the litigation.

The Court of Appeal so held when refusing an application by Mr Mohammed Al Fayed and his two brothers for leave to apply for judicial review of a decision of the Take-Over Panel not to adjourn disciplinary proceedings brought against the Fayed's by the Panel executive.

LORD JUSTICE NEILL said that in November 1984 the Fayed brothers acquired a 29.9 per cent stake in House of Fraser Ltd, through a subsidiary of their Liechtenstein company.

The subsidiary, which changed its name to House of Fraser (Holdings), bought the shares from Lonrho plc.

Lonrho had for some time been attempting to acquire control of House of Fraser but had not been able to complete the purchase because of an undertaking given to the secretary of state for industry not to acquire more than 30 per cent pending determination of a reference to the Monopolies and Mergers Commission.

On March 4 1985, Holdings announced a cash offer for the balance of the House of Fraser share capital.

Under the rules in the City Code on Take-Overs and Mergers, an offeror who already held 29.9 per cent of the shares in a company was not permitted to acquire shares in the market until seven days after announcement of the bid.

On March 11, Holdings bought sufficient shares in the market to bring its holding to more than 50 per cent.

On March 14, the secretary of state announced that the merger would not be referred to the MMC. As a result, Holdings was able to acquire House of Fraser by the end of March.

On March 10 1987, Lonrho issued a writ against the Fayeds, Holdings and some of their advisers.

It alleged that Holdings and the Fayeds induced the secretary of state to refrain from referring the proposed acquisition to the MMC by means of false and fraudulent representations about themselves and their background and their source of finance. It claimed for the lost opportunity to acquire House of Fraser by bidding for the shares without competition, and sought damages for interference with business by unlawful means.

On April 9 1987, DTI inspectors were appointed to investigate the affairs of Holdings, and to look at the circumstances surrounding acquisition of the shares.

On July 23 1988, the inspectors reported to the secretary of state. On March 7 1990, the report was published. It was severely critical of the Fayeds, and attracted publicity.

In January 1991, the director-general of the Panel wrote to Mr Fayed stating that the report contained evidence which suggested there might have been breaches of General Principle 12 of the City Code. He said the Panel was focusing on the content of three press releases, and the offer document of March 23 1985.

General principle 12 was that "any document ... addressed to shareholders containing information ... shall ... be treated with the highest standards of care and accuracy".

On November 1, the date for the disciplinary hearing was agreed for December 6.

On November 11, Mr Fayed's solicitors raised the possibility that they would seek an adjournment on the ground that the Panel's finding might prejudice their clients' position in the 1987 litigation. They said they understood the Panel's practice was to defer action until litigation was resolved.

On November 15 the Panel's secretary replied.

In paragraph two, his letter said there was no established practice which automatically required the executive to defer action on potential breaches of the Code until litigation was resolved, and that each case was determined on its facts.

He said in the light of publication of the inspectors' findings, the executive did not consider that a ruling by the Panel would prejudice the Fayeds' position in the litigation.

The application for an adjournment was heard by the Panel on December 6 and was refused. An appeal was dismissed by the appeal committee on December 18. The Fayeds issued High Court proceedings seeking leave to apply for judicial review. The application was dismissed.

On the present application for leave, the Fayeds' primary argument was that the disciplinary proceedings should be adjourned until after the hearing of the 1987 action.

The action would probably be heard early in 1994.

Mr Oliver for the Fayeds submitted that conduct and trial of the 1987 action would be prejudiced if the disciplinary proceedings were not adjourned.

He argued *inter alia* that the Fayeds would be denied a legitimate expectation based on an extract from the Panel's 1977 annual report, which said: "The Panel would normally consider it inappropriate to pursue an investigation into the conduct of parties to a takeover or merger at a time when that conduct is the subject of legal proceedings ..."

It was said the Fayeds had a legitimate expectation that that policy would be followed unless good reasons showed the case was exceptional, and that there was no such reason.

The argument was flawed for a number of reasons:

(a) A general statement of the kind made in the extract from the 1977 report could not by itself give rise to a legitimate expectation of anything. The statement was at large and not directed to any particular group.

(b) The Panel was free to change its practice at any time without notice. The legitimate expectation doctrine could not be used to restrict its right to adopt what it considered the proper practice in the individual case.

(c) "Legitimate expectation" was a particular manifestation of the duty to act fairly. In the present case, where there were no binding rules to be observed, a legitimate expectation could amount to no more than a right to be treated fairly.

(d) The Panel's executive had, in fact, given a reason for not following the "usual practice" in paragraph two of the secretary's letter of November 15 1991.

The court could intervene to prevent injustice where continuation of one set of proceedings might prejudice the fair trial of another. But it was a power which had to be exercised with great care, and only where there was a real risk of serious prejudice which might lead to injustice.

There was no arguable case that there was any real risk to the conduct of the 1987 action or to the fairness of the trial.

There were no arguable grounds for judicial review.

The application for leave for dismissed.

LORD JUSTICE SCOTT concurring, accepted that generally a tribunal carrying out a quasi-judicial function ought not to depart in an individual case from its general rules of procedure without good reason. That proposition was based not on "legitimate expectation" but on the principle that a tribunal ought in general apply the same procedural rules to similar cases unless justified by some good reason.

The Fayeds and their advisers had known all along the reasons relied on, namely the absence of any real risk of prejudice to the outcome of the 1987 action.

There had been no failure of due process and the Panel's departure from normal practice did not constitute an arguable case for judicial review.

LORD JUSTICE STEYN also concurring, said the 1977 policy statement amounted to no more than a general policy guideline. The decision whether disciplinary proceedings should await the outcome of civil proceedings or precede it was a matter for the unfettered discretion of the Panel.

For the Fayeds: David Oliver QC and Paul Goulding (Herbert Smith).

For the Panel: Timothy Wormington (Freshfields).

Rachel Davies
Barrister

Gulf War Paintings

John Keane's exhibition does nothing if not show that war sits uneasily with the modern liberal conscience. Where once the concept of the just war might have eased it a little – or at least accommodated some of the complexities and contradictions of the lesser evil – we are today too cynical, or too naive, to do other than respond to the immediate facts of death, destruction and conspicuous waste. That such things should be brought to pass in the name of political advantage can only make them worse.

The actuality of battle has become a commonplace on our television screens, the analysis and recrimination under way before the last shot is fired. It raises awkward questions: would Passchendael have been fought over as it was, with Kate Adie in the trenches and the high command in the studio to answer for gains and losses as they came in?

John Keane's 'Oil Painting 1991': many of his works have a clear polemical intent

And what is the role of the artist in all this: the objective reporter of events, or the no less objective monitor of his or her own subjective experience and response? Or the polemicist, morally committed and politically correct? The short answer is: any of these things and still the artist, but a war-artist only in the first two respects. The trouble with John Keane, on the evidence of these paintings made from the photographs he took in the month he spent with the British Army in the Gulf, is that he wants to be all three at once.

He may be a very good photographer, but he is not showing his photographs. He was not, as I understand it, commissioned as a war-artist in the fashion of the second world war, a supernumerary officer living and moving with the army for the duration. Least of all was he a sometime combatant, as were so many of the artists of the first world war. Keane, by contrast, was sent by the Imperial War Museum and was evidently there on sufferance so far as the Army was concerned, and was kept well behind the lines.

Even so, his experience of army life on active service was clearly authentic, and, in the period before the battle especially, he produced material that is objective enough. The best work is of this kind: a tank under camouflage netting, for example, a soldier digging a trench, two soldiers playing draughts to pass the time. But the larger portion of the work has clear polemical intent, and this makes us ask whether Keane approached his subject with an open, or at least a curious mind.

Once fighting began, Keane could only experience its awful aftermath. Only once is his prejudice subverted, by the panic of a gas alert. The wry portrait of himself struggling ham-fistedly into his protective suit, is the best and most natural image of this phase. It is touching, funny in a desperate way, and it rings true.

For the rest, we have the attitudinising of the cynical liberal mind, convinced the whole wasteful, colossally expensive exercise was merely to protect the oil interests of the West and of the US in particular, an exercise in neo-colonial economic oppression.

How else can we gloss such titles as *We are making a new world order*, with its sun-bespectacled soldier amid the debris of battle and blazing oil-fields, or *Mickey Mouse at the Front*, with its supermarket trolley, flaccid palm tree and implicit antagonism to all things American? And there is *the Death Squad*, the body-bag detail with scarves wrapped tight against the stench. Above all, there is the sequence *Scenes on the Road to Hell*, the fleeing convoy caught and destroyed on the Basra Road.

There is nothing against an overt polemic, save only that it must escape its limitations if it is to stand as art. We may think of Goya's *Disasters of War*, but he kept his ironical distance, well knowing who the enemy was, while making a more general and humane point. Again, we may make superficial comparison between the desolation of Paul Nash's great canvas of *The Menin Road* and Keane's *New World Order*: yet the one is distanced, impartial and thus universal in its humanity, the other merely local, personal and political.

As it happens, Sargent's once notorious painting, *Gassed*, of a string of victims coming back from the front line, the blind leading the blind, hangs in the neighbouring gallery. It too raises the question of when polemic becomes propaganda, though avoiding the charge by its broader humanity. Also next door, as part of the current Falklands display, is some of the work of Linda Kitson, Keane's immediate predecessor in the commission, her brisk and personal reportage, drawn on the spot, a direct contrast to his more predetermined approach.

Keane is an interesting and able artist, though inclined to allow his facility to run away with him. He would rather hurry and produce too much, as here, it seems, than confirm and resolve too little. His greater problem, perhaps, is philosophical: he hardly knows which side he is on.

William Packer

John Keane: Gulf. Imperial War Museum, Lambeth Road SE1, to May 31. Sponsored by The Guardian.

Rossini on the South Bank

Max Loppert

Rossini the comic opera composer gets at least a measure of his due in Britain; Rossini the creator of a treasure trove of serious operas is still a largely unknown figure here. In particular, the nine that he wrote to honour an eight-year attachment (1815-22) to the San Carlo theatre in Naples represent *terra incognita* for our opera houses. In them, he experimented with combinations of ornate vocal style and formal adventurousness that brought increasingly powerful results.

Just how powerful was revealed during Friday's Queen Elizabeth Hall concert performance (broadcast live on Radio 3) of *Ermione* by the Orchestra of the Age of Enlightenment. Dating from (1819), this formed the mid-point of the Neapolitan series. In Rossini's own day it was unsuccessful, never revised or revived; until a 1977 Siena concert performance it had counted as a lost work. On Friday it burst over a packed QEH with the force of a thunderclap; noisy cheering greeted several of the numbers and ovations the finale.

It was, indeed, an extremely exciting performance – played and sung with biting attack and limpid phrasing by the OAE and New Company Chorus, and conducted with dazzling skill and fervent sympathy by Mark Elder. But beyond all the individual pleasures it was the work itself that provided the feeling of revelation: a high-wire mixture, perfectly balanced, of Classical forms and Romantic passions that keeps the drama unfolding at *fever pitch*.

The raw material was Racine's *Andromaque*, from which the composer's regular collaborator Tottola achieved an economical operatic text. Four principal characters – the captive Trojan Andromache (mezzo), the king Pyrrhus (tenor), his scorned fiancee Hermione (soprano) and her besotted admirer Orestes (tenor) – weave a taut fabric of unrequited passion, fury, despair, intrigue and treachery.

The tone of high drama is set in the overture, into which male choral voices burst with bleak insistence. All the music blazes with controlled fury – Gluckian in directness of declamation, Cherubinian in rhythmic drive, yet purely Rossinian in its musical richness.

Surprising strokes of design, colouring and vocal combination mark every number; it is a long-ish work that on Friday felt short because of its untamed urgency. The characters each emerge in the round, above all the wildly unstable titular role (written for Rossini's muse Colbran); she is not a lovable heroine – nor is this exactly a sweetly consoling work – but she leaps into three-dimensional vividness.

That was certainly the impression left by the young Italian soprano Anna Caterina Antonacci, making her British debut. She is an arresting figure even on the concert platform, Magnani-like in darkly handsome profile and in the mercurial change of facial expression. There were occasional rough patches and raw details in her singing, but the overwhelming truthfulness and intensity of the delivery tended to diminish their importance, and in the finale Miss Antonacci's fusion of tone and word unleashed thrill upon thrill.

The two high tenors, the electrifyingly trumpet-toned Bruce Ford (Orestes) and the suavely stylish Keith Lewis (Pyrrhus), were excellently contrasted; in the opera's few tender moments Judith Forst (Andromache) made skilful use of her less compelling vocal means. All the smaller parts are important, and here all were aptly taken; Jacek Laszczkowski (Pylades, another high tenor) and Peter Sidhom (Phoenix, bass) particularly made their mark. I hope the rumours of a Glyndebourne *Ermione* in the near future are well-founded.

•

More Rossini at the Festival Hall on Sunday evening: the *Stabat mater*, given by the Philharmonia and its chorus (both splendid) under Giuseppe Sinopoli. Much more familiar Rossini, of course, but no less welcome: indeed, in the wake of the coursing drama of *Ermione*, few works could be better revived to show off the depth and seriousness of Rossini's final compositional period.

It is a work Sinopoli conducts admirably. He captures both the chaste marble contours and the sweetly ornate vocal details; his avoidance of interpretative self-indulgence is refreshing.

The soloists – Maria Bayo (replacing June Anderson) Cecilia Bartoli, Justin Lavender, Alastair Miles (replacing Simon Estes) – were all musicianly Rossinians, not ideal in blend. The glorious Miss Bartoli sounded a mite under form; the bright-edged tones of the Spanish soprano gave an interesting lift to the "Inflammatus".

As concert-opener Sinopoli proposed a different sort of Italian music entirely: Bruno Maderna's *Quadrivium* (1969), a linked series of glittering modern-music mobiles for large, spatially disposed, percussion-dominated orchestra. It is a composition of wit, brilliance and energy; Sinopoli risked the ire of the large Sunday-night audience in programming it. All praise to him!

Chester Mystery Plays

The Chester Mystery Plays, first mentioned in Chester in 1422, have always sought an international connection.

Their supposed originator, "Done Rondall, moonke of Chester Abbe", lobbied at Rome three times "before he could obtaine leave of the Pope to have them in the English tongue." The knotty vernacular text survives in five manuscripts (1592-1607). That text, abridged and part translated into Portuguese, forms the basis of a bi-lingual performance of the Mystery Cycle in the largest Anglo-Portuguese theatre collaboration to date.

The result is a worthwhile production of great enterprise. Sixteen actors from four companies tour for six weeks in Portugal (Braga, Evora, Porto, Lisbon), finishing at the Mermaid Theatre, London. The production unites actors from the Companhia de Teatro de Braga, the Centro Dramático de Evora and the Seiva Trupe of Porto under the aegis of the London Theatre Ensemble.

The Portuguese companies had not worked with English actors before; and neither – such is the structure and culture of theatre in Portugal – had they worked with each other. The project also attests to the degree of collaboration possible between state and private funding bodies in England and Portugal. The Gulbenkian Foundation, The Secretaria de Estado da Cultura and the British Government (through British Council and Arts Council grants) each provided 30 per cent of the budget.

The shared religious and cultural experience makes an apt choice for such a joint venture. The Cycle celebrates rather than enacts the biblical narrative. On stage at Evora, the second leg of the tour, the Cycle shows both the scope and limits of bi-lingual collaboration. One hears alternate lines or speeches in English and Portuguese; the effect at first dislocates and then focuses the attention; one recognises parts of the Catholic litany, familiar in Latin or English, but now intelligible in Portuguese.

The two languages, switched and intercut on stage, produce tense effects: Cain and Abel, Abraham and Isaac, Gabriel and Mary at the Annunciation, Christ and Mary Magdalene at the Resurrection; all these pairs successfully play their scenes in Portuguese and English, where only a bi-lingual speaker would know exactly what is happening.

When language is not fundamental or available, the staged gesture and positioning need to be more obvious and explicit. Here, the company's preparatory workshops on non-verbal communication have helped stress the dramatic rather than verbal interchange; but perhaps even more can be done. A common language of gesture began to emerge throughout the Cycle at Evora; the cast needs to be fluent in it.

While this five-hour Cycle is a cultural and logistical success for the producer David Westhead, the action on stage could still benefit from more of the energy which put it there. There are moments of achieved potential in a magical Creation, where God looks into the dark under a glowing filament and decides to create light, and in the making of man and woman from clay models; later, stage effects, gesture, movement and tone create a tense Last Supper and Betrayal and a complex debate with Pilate. The Scourging and Crucifixion of Christ are both harrowing, they speak and show the language of violence and grief. As the production matures, it should become more muscular and robust.

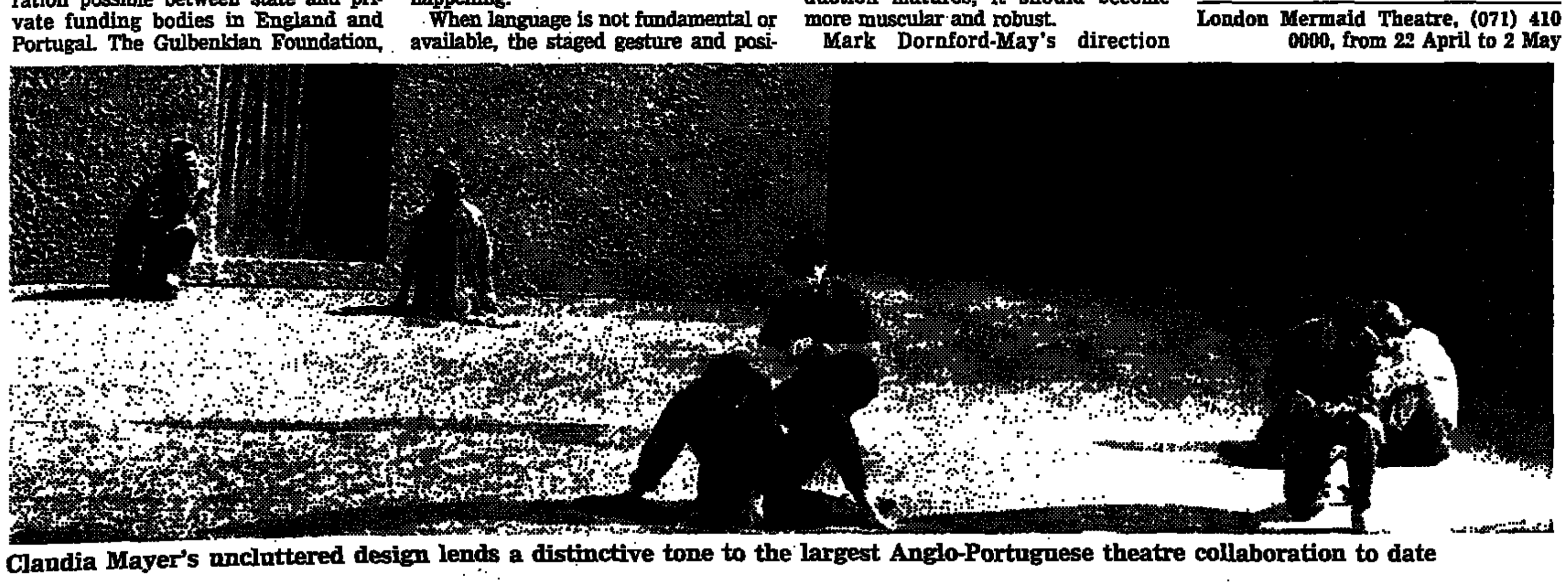
Mark Dornford-May's direction eschews music and special effects, bringing the action down to exchanges between individuals. He avoids the temptation of the anarchic approach in keeping with the street setting of the original Mystery plays, and so keeps confusion at bay. But a formulaic approach would have made some scenes (the Temptation, the raising of Lazarus) more accessible.

The design (by Claudia Mayer) is simple and uncluttered: a bare stage with a grey backdrop and a huge sun; it absorbs quick changes and entrances, a door becomes a tomb, a table an ark or a sepulchre. While the lighting remains clear and plain, the costumes provide the colour and variety as each actor appears in several roles.

The 1607 Chester text introduces the plays with a note that when one Sir Henry Francis of Chester Abbey (another supposed author), staged the plays, he "obtained of Pope Clemens a thousand dales of pardon for every person that resorted peaceably to see the same playes." Wherever he may be now, Sir Henry should be confident about this latest production.

Andrew St George

London Mermaid Theatre, (071) 410 0000, from 22 April to 2 May



Claudia Mayer's uncluttered design lends a distinctive tone to the largest Anglo-Portuguese theatre collaboration to date

I Musici de Montréal

There are now rather too many bands called *I Musici*, but the Montreal team of that name deserve serious attention. Their conductor, the cellist Yuli Turovsky, is an alumnus of Rudolf Barshai's Moscow Chamber Orchestra who emigrated to Montreal in 1977; and with his violinist wife Eleonora as leader, he has re-created something like the Barshai band in French Canada. They are an exciting tonic.

It is usual for small, ambitious bands to claim extravagantly that their members are "all soloists", but Turovsky's players go a long way towards making the claim good. Their second-violin boast no less pith and character than their firsts (granted Mme Turovsky's flamboyant pre-eminence as leader); their violas make a full-throated trio, and so do their celli and bass.

In the programme I heard them deliver in Montreal recently, every player was not only alert but brilliantly assured. It is hard to do justice to the effect of such playing, vividly committed from top to bottom: try to imagine a string band put together exclusively from eager prizewinners, every man-jack determined not to waste a single note.

Britain has some excellent string orchestras, but I doubt if any could easily muster the unhesitating, up-front attack of these Québec players. It may be to do with native temperament (French-Canadians are volatile where English-Canadians play safe), but probably more to do with the Turovskys' own vivid example. Even in Nielsen's pawky little *Petite Suite* these strings were gutsy and unabashed, though clever, and in Barshai's arrangements of some of Prokofiev's *Visions fugitives* (originally for piano) they achieved a range of unnerving effects without a slip.

Like Barshai's original band they stood up in a semicircle to play, except when accompanying Mendelssohn's Double Concerto – for violin and piano, written when he was 14. Though they sounded slightly duller there, the fault was surely Mendelssohn's: the part he allotted to the orchestra suggests that his papa could not or would not afford a competent band. Even the 1st-movement recapitulation is assigned to the soloists alone, and that sounds less like a bold stroke than a mere ruse for keeping the band prudently silent.

Luckily we had not only Mme Turovsky's unstinting panache (reckless, even: she overshot some high ledger-lines) but the pianist Marc-André Hamelin's stylish bravura, in a part which seems not much more than second-fiddle accompanying until the Finale, when young Mendelssohn indulges his pianistic finger-fervour to the limit. Hamelin made the most of that, always with rippling grace; and in Schoenberg's scathing, anti-Hitlerian *Ode to Napoleon* his incisive piano contributions were vital.

There was more to the unusual success of Schoenberg's bitter *Ode*, however, than Hamelin's sterling work. Turovsky chose to play it in the composer's own 1944 version with string orchestra, much less discouragingly gritty than his lean first draft for solo quartet (and piano); and Kevin McMillan declaimed Byron's text with all the right lofty scorn, not a whit diminished by his Canadian diction. For once, a piece that even dedicated Schoenbergians find unappetising struck home with a ring of conviction. From many honest performances in years past, I remember none that made so convincing a case for the musical integrity of Schoenberg's diatribe.

This is a band worth hearing, and in October St John's ought to flatter their lean, sinewy sound.

David Murray

Visiting St John's, Smith Square, London, on 27 October

INTERNATIONAL

ARTS GUIDE

TODAY'S EVENTS

■ AMSTERDAM

Concertgebouw 19.30 Thijs Kramer conducts the National Philharmonic Orchestra and Utrecht Cathedral Choir in Bach's St Matthew Passion. *Repeated* tomorrow by Ton Koopman and the Amsterdam Baroque Orchestra (6718 345)

■ ATHENS

Concert Hall 20.30 Amina Claudine Myers Jazz Quartet. Tomorrow: Barbara Dennerlein. Thurs and Fri: La Camerata. Sun: piano recital by Grigorij Sokolov (722 5511)

■ BERLIN

Deutsche Oper 19.30 Lucia Aliberti sings the title role in a concert performance of Bellini's Beatrice di Tenda, also Sat. Tomorrow: Die Zauberflöte (West Berlin 3410 249)

■ COLOGNE

This week's programme at the Philharmonie includes concerts tomorrow and Thurs by the Chicago Symphony Orchestra conducted by Daniel Barenboim (2801). The Opernhaus has Entführung tomorrow, Pelléas et Mélisande on Fri and Der Rosenkavalier on Sat and Mon (221 8400). The Schauspielhaus has plays by Strindberg, Maxim Gorki, Jean Genet and Edward Albee (221 8400)

■ GENEVA

Grand Théâtre 20.00 Bruno Bartoletti conducts Lorenzo Mariani's new production of Wolf-Ferrari's I Quattro Rusteghi. Runs till April 22, with next performances on Thurs and Sat (212311). Tomorrow in Victoria Hall: Andrew Litton conducts Tchaikovsky's Fifth Symphony (292511)
Théâtre de Carouge 20.15 Love Letters, play by A R Gurney directed by Lars Schmidt. Daily till next Mon (434343)

■ GENOA

Teatro Carlo Felice 20.30 Rafael Frühbeck de Burgos conducts first night of Luis Maria Iturri's production of Carmen, with Martha Senn, Giorgio Merighi and Giorgio Zancanaro. Runs till May 3, with next performance next Tues. Thurs: Nieves Ongay Ballet Company (589329)

■ HAMBURG

OPERA/DANCE
Tonight's performance in the Staatsoper is a John Neumeier choreography, Fenster zu Mozart, also Thurs. Tomorrow: Gerd Albrecht conducts Günter Krämer's new production of Das Rheingold, also Sun. Fri and next Mon: John Neuemeier's choreography of the St Matthew Passion. Sat: Carmen with Lucia Valentini-Terrani (351721).
THEATRE
The repertory at the Deutsches Schauspielhaus includes Lessing's 18th century tragedy Emilia Galotti tonight and Fri, Arthur Miller's Death of a Salesman tomorrow and Thurs, the Cherry Orchard on Sat and J P Donleavy's Ginger Man on Sun and Mon (248713)

■ LONDON

Covent Garden 20.00 Edward Downes conducts first night of David Freeman's production of Prokofiev's The Fiery Angel, designed by David Roger. The cast includes Galina Gorchakova, Sergei Leiferkus, Paata Burchuladze and Robert Tear. Runs till May 2 (071-240 1066)
Coliseum 18.15 Mark Elder conducts David Pountney's production of Don Carlos, with Edmund Barham and Rosalind Plowright, also Sat. Tomorrow: Madama Butterfly. Thurs: Il barbiere di Siviglia (071-836 3161)
Royal Festival Hall 19.30 Mariss Jansons conducts the Philharmonia Orchestra in works by Haydn, Sibelius and Bartók, with Julian Rachlin violin soloist. Tomorrow and Thurs: Zubin Mehta conducts the LPO (071-928 8800)
Queen Elizabeth Hall 19.45 Achterland: dance theatre performed by the Rosas Dance Company, choreography by Anne Teresa de Keersmaeker, also tomorrow (071-928 8800)
Barbican 19.45 Carlos Kalmar conducts the Stuttgart Philharmonic Orchestra in works by Brahms and Beethoven, with Andreas Bach piano soloist. Tomorrow: English Chamber Orchestra (071-638 8891)

■ NEW YORK

Carnegie Hall 20.00 Simon Rattle conducts the City of Birmingham Symphony Orchestra in Nielsen's Third Symphony and Ravel's Daphnis et Chloé. Two more CBSO programmes tomorrow and Thurs (247 7800)
Avery Fisher Hall 19.30 Klaus Tennstedt conducts Bruckner's Eighth Symphony. Thurs, Fri and next Tues: Tennstedt conducts Brahms (875 5030)
Metropolitan Opera 20.00 James Levine conducts Elektra, with Hildegard Behrens. Tomorrow: Billy Budd (362 6000)

■ PARIS

DANCE
Palais Garnier 19.30 Pierre Lacotte's production of La Sylphide. Repeated tomorrow, Thurs, Fri and Sat (4017 3535)
Palais des Congrès 20.30 Final performance of Ukraine National Ballet season (4068 0006)
MUSIC
Opéra Bastille 19.30 Un ballo in maschera, with Luciano Pavarotti, Aprile Millo and *Alexandru Agache. An alternative* cast takes over from Thurs. Tomorrow: first night of Roman Polanski's production of Le Contes d'Hoffmann (4001 1616)
Théâtre des Champs-Elysées 20.30 Philippe Herreweghe conducts Bach's St Matthew Passion. Thurs: Heinz Wallberg conducts the Orchestre National de France (4720 3637)
Châtelet 20.30 Daniel Barenboim conducts the Chicago Symphony Orchestra in works by Richard Strauss (4028 2840)
Auditorium, Forum des Halles 19.00 William Christie conducts Les Arts Florissants in works by Marc-Antoine Charpentier. Tomorrow: piano recital by Tatiana Nikolaeva. Thurs: song recital by Andreas Schmidt (4028 2840)
Salle Gaveau 20.30 Kammerensemble de Paris plays Beethoven's Septet, Martinu's Nonette and Britten's Fantasy for oboe and string quartet (4561 0630)

■ PRAGUE

OPERA
Prague State Opera (formerly Smetana Theatre): tonight's performance of two Zemlinsky one-act operas is conducted by Hilary Griffiths. Thurs: Tosca with Mara Zampieri and Neil Shicoff. Fri and Sun: Martinu's Greek Passion. Sat: Il trovatore. Mon: *La traviata.*
National Theatre: Bohumil Gregor conducts tonight's performance of Katya Kabanova, also Sat afternoon. Thurs: La bohème. Sat evening: Rusalka. Sun: *Giselle.*
CONCERTS
Smetana Hall: on Thurs and Fri, Pavel Kuhn conducts the Prague Symphony Orchestra in Dvořák's Stabat Mater, with soloists including Magdalena Hajossyova. Sun: Musica Bohemica (u Prasne brany 2, tel 232 5858).
● For pre-booking and information about other events, contact city centre ticket agencies (Bohemia, Na Prikope 16, tel 228738, or Melantrich, Wenceslas Square 38 in the passage, tel 228714) and theatre box offices.

■ WASHINGTON

CONCERTS
Kennedy Center This week's National Symphony Orchestra concerts are conducted by Zdenek Macal. Tonight: Tchaikovsky's First Piano Concerto (soloist José Feghali) and Dvořák's Seventh Symphony. Thurs, Fri afternoon, Sat: Wagner and Strauss programme. Fri evening: Simon Rattle conducts the City of Birmingham Symphony Orchestra. Sun afternoon: Bach's B minor Mass (467 4600)
JAZZ/CABARET
Blues Alley Jazz Supperclub This week's guest is pianist Ramsey Lewis (1073 Wisconsin Ave, in the alley, 337 4141)
Barns of Wolf Trap Tonight: Masters of Folk Violing, virtuoso *fiddlers from four traditions*. Fri: Accordion Kings, featuring Santiago Jimenez of San Antonio and Creole zydeco music played by Boozoo Chavis and the Magic Band from Lake Charles *(703-938 2404)*

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MONDAY TO FRIDAY

CNN
2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel
0830-0900 (Mon) FT East Europe Report – weekly indepth analysis from FTTV
2130-2200 (Tues) Media Europe – what's new in European media *business*
2130-2200 (Wed) FT Business Weekly – global business report with James Bellini
0830-0900 (Thurs) Media Europe
2130-2200 (Thurs) FT Eastern Europe Report
0830-0900 (Fri) FT Business Weekly

Sky News
0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly

SATURDAY

CNN
0900-0930 World Business This Week - a joint FT/CNN production
1900-1930 World Business This Week

Super Channel
1930-2000 FT Eastern Europe Report

SUNDAY

CNN
1030-1100, 1800-1830 World Business This Week

Super Channel
1800-1830 FT Business Weekly

Sky News
1330-1400, 2030-2100 FT Business Weekly

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Tuesday April 14 1992

Mr Heseltine at industry

SECRETARY OF STATE for trade and industry may not have been the crown Mr Michael Heseltine most fondly dreamed of wearing during his years in the political wilderness, but it is one for which is is singularly well prepared.

Following his resignation from the Thatcher government in 1986 over the Westland affair, Mr Heseltine set out in explicit terms his preferred job description.

It is an interventionist view which will be welcomed in many British boardrooms, not least for its primary assertion that government must worry hard about the health of manufacturing industry. Much less clear is the extent to which Mr Heseltine will seek or be allowed to implement a personal manifesto which contrasts so sharply with the official version published one month ago.

The party manifesto, bearing the mark of his free market predecessor, has almost nothing to say about manufacturing, beyond a commitment to further deregulation and tax cutting. It also proposes that the DTI take over the powers of the energy department.

Mr Heseltine's credo is that since all governments, in one way or another, make decisions that have a large effect on business, it is best to shape those policies into an industrial strategy.

Industrial impact

He has advocated "a new partnership" between government and industry, in which government thinks more carefully about the industrial impact of all its decisions, including procurement, taxation, overseas representation, science, education and employment law. Without French interventionism, he says, Europe would have no commercial aircraft industry. It is difficult to imagine Mr Heseltine privatising part of the export credit guarantee department or the British Technology Group – both acts of the last *Thatcher/Major government*.

He is also in favour of a revived National Economic Development Council, a creation of Harold Macmillan which, he argues, has "never fulfilled its potential". He has proposed that the industry secretary rather than the chancellor should chair this tripartite body and that its membership include the financial institutions which own most British industry.

More controversially, he has said that any company with more than 500 employees should be required to demonstrate that it has effective mechanisms for dialogue with its workforce. It is thus difficult to see why Mr Heseltine would want to resist the social chapter of the Maastricht treaty, something which Mr Major has made an article of faith.

Fiscal incentives

And so on. He favours strong fiscal incentives for business investment, such as the soon to be discontinued Business Expansion Scheme, and worries about too much foreign investment. The future of the Rover group, a 1987 book says, is necessarily "a matter for the government", not least because of the "ominous increase in foreign ownership and control" of the UK motor industry. He proposes a "positive benefits" test for mergers, which has more in common with the Labour party's ideas than the Tebbit-Lilley doctrines which still officially hold sway.

At his most ambitious, Mr Heseltine has sounded like a would-be minister of the supply side economy, buttressed by a Cabinet-level industry committee. Even denied this, he faces potentially serious conflict with the Treasury and the competition directorate of the European Commission, run by a fellow Westland victim, Sir Leon Brittan. Clear policy identity can only emerge from this muddle when compromise, brokered by the prime minister, has occurred.

Meanwhile, some urgent priorities lie on the non-industry side of Mr Heseltine's brief: the Gatt round, the opening of western European markets to east European goods, the privatisation of the coal industry and the need to introduce stronger market pressures into the energy utilities.

As for the "partnership" agenda, it is by no means to be dismissed out of hand. A revived Nedo capable of trenchant policy analysis and ideas-generation is much to be desired. Corporate governance does need to reflect a wider view of ownership. If Mr Heseltine can balance this with an enhanced regard for competition policy and expunge from his thinking a trace of outdated nationalism, the DTI could yet prove to be his finest hour.

Bridging the final Gatt gap

MANY MIGHT have concluded by now that all Gatt deadlines – including the latest one, for Easter, set by the Gatt's director-general, Mr Arthur Dunkel – are equally meaningless. Not so. One deadline is crucial: the end of the American president's ability to use his Congressional "fast-track" authority at the beginning of March 1993. With no provision for its renewal, that is when the more than five year old Uruguay round of multilateral trade negotiations will turn into a pumpkin.

That deadline does not leave as much time as might be thought. Even after agreement on agriculture is finally reached, it will take at least two months to reach consensus on other outstanding issues. Some improvements will be required in the texts presented by Mr Arthur Dunkel last December. Chief among the outstanding issues will be market access, including services and public procurement, as well as the lowering of tariffs. For the world economy, these agreements will be of enormous importance, probably more important than agriculture.

That does not make agriculture less pivotal. It is too important to too many countries for a global deal to be possible without it. But such a deal depends first on agreement between the US and the European Community. It has been tantalisingly close since the end of last year.

Another chance is created by the regular meeting between Mr George Bush and Mr Jacques Delors, the European Commission president, on April 22. With Mr Helmut Kohl pressing for a Gatt deal to be reached before the summit of the group of seven industrial countries in Munich this summer, with the re-election of Mr John Major and the elevation in France of the economically hard-headed Mr Pierre Bérégovoy, Mr Delors has the opportunity to strike the deal.

Distorting effect

The obstacles should not be insuperable. Agreement is close, for example, on the idea that the EC's payments to farmers in compensation for the lower prices proposed by Mr Ray MacSharry, the farm commissioner, would not have to be reduced for six years, even though they are seen as having a distorting effect on trade and production. Similarly, the EC's demand for "rebalancing" – raising the low tariffs on imports of cereal substitutes already bound within the Gatt – seems to have faded away.

Difficulties remain, however, over the EC's idea of quantitative limits on imports from the US of certain cereal substitutes – corn gluten especially. Equally problematic is the EC demand for a commitment by the US that EC subsidies would not be challenged under US law.

US opposition

More fundamental is the adamant US opposition to the EC's desire to change parts of the text put forward by Mr Dunkel last December. It too would like to make changes, but rightly fears that once one bit of the text is challenged, the entire document could unravel.

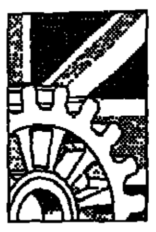
The most worrying feature of current discussion – apart, that is, from the continued failure to reach agreement – is the tendency to think in terms of quantitative limits, be it on subsidised exports or on cheap imports. Such limits may seem expedient, but they contradict fundamentally the thrust of liberalisation. It would be better to focus on reductions in assistance, letting quantities go where they will.

Behind the inability to reach agreement seems to be a belief by the EC that the Dunkel text contradicts Mr MacSharry's proposed reductions in internal support. But once consequent reductions in output are taken into account, the MacSharry plan would probably meet the requirements of the text. At most, it would need only simple modifications.

For over a year it has been true that once reform of the common agricultural policy can be broached, there is no reason in principle why a Gatt agreement should not be reached. Such an agreement is overwhelmingly in the economic and political interests of all parties, including the EC. Europe needs to solve the farm policy problem. Mr Delors knows that well. He should take the opportunity now before him to turn that knowledge into action, so meeting the final deadline of the Uruguay round.

Machines in need of maintenance

Andrew Baxter explores the response of UK engineering companies to recession



The reinvigoration of British industry has been pushed towards the top of the political agenda by the Conservatives' general election victory. Mr Michael Heseltine's appointment as secretary of an enlarged Trade and Industry Department heralds a more interventionist stance by a traditionally free-market government and a rejection of the DTI's recent minimalist role.

Nowhere will this shift be felt more keenly than in the engineering sector, which is finding recovery hard after 20 years of decline compounded by 18 months of recession. So protracted has been the weakening of the industry and so severe the damage to its competitiveness that government help may be needed to foster a revival.

The appointment of Mr Heseltine, who is committed to focusing the "averted gaze" of government back on to industry, has met with a welcome response. "We believe this will invigorate the DTI and help it find a strategy for industry," said a senior executive at one engineering group yesterday.

But the broad economic background does not look encouraging: engineering output has fallen from 11.8 per cent of the UK's gross domestic product in 1970 to about 8 per cent, and most engineering sectors grew at a lower rate than GDP from 1979-1989. Two recessions have reduced employment in engineering from 3.3m in 1979 to below 1.9m, and jobs are still being shed.

The UK balance of trade in the main engineering sectors plummeted from a £4.32bn surplus in 1980 to a £5.34bn deficit in 1990. It recovered last year to a small surplus of £240m, according to an estimate by the Engineering Employers' Federation, as the recession choked off demand for imports.

On a brighter note, UK engineering workers improved their productivity – average annual growth of real output per person – by 5.1 per cent from 1979-1989, a better performance than their Italian, French and German counterparts, but still lagging behind improvements in Japan and the US.

So what is the future for Britain's engineering companies? A Financial Times series over the next 18 months will try to answer that question by tracking regularly the performance of six different engineering companies.

The companies were asked how they have responded to the current recession and what lessons they have applied from the previous 1980-81 downturn; what is the short-term outlook for their UK business; and what might be the long-term effects of the recession on their ability to compete in domestic and international markets.

The initial conclusions are decidedly mixed: five of the companies do not expect a real recovery in their UK markets until next year, either because they see no signs of life in the domestic or because the evidence of recovery is too slight.

However, a better-managed industry has learnt lessons from the recession of the early 1980s and responded more quickly to a downturn of unprecedented severity. "No corner has been left unexamined," says Mr Gilbert Johnston, chief executive of JCB.

The recession has forced companies to examine businesses and investments with a more critical eye. "Like a rough sea, it shows where all the leaks are," says Mr Colin Gaskell, managing director of 600 Group.

However, the longer the recession persists, the greater the risk that business will stabilise permanently at its current low levels as the customer base is eroded. None of the six companies in the survey believes that has happened – yet.

In contrast, all six paint a rosy picture of long-term growth. But, given the record of the UK's engineering decline, their confidence raises the question of whether they will be able to manage their way through the recession without sacrificing long-term prospects.

The responses from the six companies suggest that the evidence is broadly positive:

● Extent and severity of the recession.

Operating in a variety of markets, the six went into recession at differing times and speeds. Weakening demand in the UK truck market hit the component business of Bloxwich Engineering as early as 1989 while Fenner marks the start of the UK recession at November 1990.

At Senior's engineering products division, the UK market has been flat for 10 months, says Mr John Bell, divisional chief executive, while other companies "hit bottom" only last autumn.

A number of companies were surprised by the sudden onset of the recession, and had to grapple with a market decline that has been steeper, and lasted longer, than in 1980-1981. JCB's production volume has fallen by 40 per cent over two years from the heady levels of 1987 to early 1989. In the three years from 1980-1982, the decline was only 22 per cent, says Mr Johnston.

● Cost-cutting responses.

All the companies have taken action in this area. UK workforces have been cut by an average 20-25 per cent, and every aspect of cost has been examined. But cutting jobs without causing serious long-term damage has been a concern for many companies.

At Fenner, the UK headcount has been reduced by 20 per cent over the current recession. Mr Peter Barker, chairman, points out that "there has been a steeper rate of decline than in the previous recession, and not so much to cut at". But Fenner and others believe they have made such cuts without impairing their long-term research and development efforts.

Other cuts have been made "behind-the-scenes" in a way that does not affect long-term customer relationships. The 600 Group no longer makes its Colchester lathes in the Essex town and has switched production to its Harrison lathe plant in west Yorkshire, with the loss of 280 jobs. But the marketing network has remained unchanged.

● Strategic responses.

The larger companies are trying to expand their sales overseas, especially in continental Europe, either because of relatively better market conditions – such as in JCB's case

– or to change the long-term balance between UK and international earnings so as to diversify income sources and reduce dependence on the UK economy.

Senior's recent $40m acquisition of Flexonics, the largest US manufacturer of metallic flexible hose assemblies, exemplifies this trend. Although cyclical, the US market is less of a roller-coaster than the UK.

Others have responded by taking advantage of non-recurring opportunities. At Fenner, production of some low-value added power transmission components has moved to Hong Kong – a response as much to a long-term shift in terms of trade as to the recession.

Among the smaller companies, Posiva has learnt from its reliance on supplying the textile industry during the previous recession. This time it has moved quickly to supply gears to crane manufacturers and other industrial sectors, says Mr Reg Bricknell, chief executive.

● Capital spending.

Here the picture is mixed. Posiva has benefited from the capital spending of its German parent company, while JCB, says Mr Johnston, has slowed its capital expenditure because of heavy investment in 1988 and 1989 which gave it a manufacturing capacity of 20,000 units a year, compared with current production levels of 10,000 units.

But all six companies agree that the investment tap cannot be turned off in a recession. "In engineering, if you do not invest to keep up to date, all you are going to do is go under in the next century," says Mr Peter Burton, chief executive of Bloxwich Engineering. His company has invested in training and new machinery aimed at providing more quality in its vehicle components.

● Implications for long-term competitiveness.

There is little doubt that if the six had not developed responses to the recession, the implications for their long-term competitiveness would have been severe. That is due as much to the length as to the depth of the downturn.

Collectively, the six serve virtually every sector of UK industry, and have seen customers collapse, or struggle, under the weight of the recession. Mr Barker hopes the erosion of the UK customer base will be nothing like the 20 per cent reduction seen in 1980-81.

To protect against such an eventuality, Fenner, along with the other companies, is redoubling efforts to internationalise. The recession, says Mr Johnston at JCB, has strengthened the company's determination to expand in Europe – particularly in the rapidly expanding German market. At Senior, Mr Bell says that "the longer the UK recession goes on, you have to start wondering whether something more structural is happening. I don't believe it has thus far. It has not changed our perception of what things will return to."

But just as some customers have disappeared, so some of the companies' UK rivals have collapsed or been weakened. And, at least in JCB's sector of construction equipment, foreign rivals have become charier of entering a UK market described as "perfectly ghastly" last year by one independent analyst.

In contrast, the smallest company of the six, Posiva, is virtually restricted to selling in the UK and Ireland. But it recovered more quickly than larger competitors from a poor year in 1990.

In response to a sharp fall in demand, Mr Bricknell cut the workforce from 24 to 18. Now, however, he is taking on two more salespeople "to get more of a smaller cake". Small engineering companies, it seems, can survive the vagaries of the UK market with a responsive management.

Although some of the cuts may have been painful, the results may come through eventually in higher profits – an important factor for the sector's long-term competitiveness. Mr Gaskell at 600 Group says recessions do not have to be as deep as the present one to force companies to examine their cost base, but his company will be £7m-£8m more profitable when business recovers because it has cut costs and strengthened management. Similar benefits are expected across the companies surveyed.

The only trouble is that the upturn has not arrived yet. And only when it does will it be possible to judge whether the companies have done enough, or cut too much, to exploit it. Subsequent articles in the series will establish when that recovery arrives, and whether the companies' long-term confidence is well-founded or just bluster.

For now there is a glimmer of light. JCB said last week it is taking on 97 more employees in preparation for an expected increase in orders. Like its counterparts across the engineering sector, it will be hoping the light will not again be extinguished by recession.

This is the first article in a series on the six engineering companies.

PERSONAL VIEW

Tipping the CAP to Gatt

By Timothy Josling and Stefan Tangermann

A big reason for the European Community's resistance to proposals by Mr Arthur Dunkel, the Gatt's director-general, for a compromise on agriculture in the Uruguay Round of multilateral trade negotiations is fear that they might force unacceptable changes in the CAP – in particular that they might require cuts in support both to agriculture and to exports of farm products.

The Community is currently discussing internal reform of its agricultural policies on the basis of the plan proposed by its farm commissioner, Mr Ray MacSharry. There are concerns, however, that even these sweeping changes might not be enough to meet the requirements of Mr Dunkel's draft.

Whether such fears are justified depends on the precise implications of the Gatt proposals. We have estimated the development of EC prices and markets under the MacSharry Plan, comparing it with the Dunkel proposal. The result of our estimates, based on data used for the schedules the EC submitted to the Gatt in March, is that the MacSharry Plan would easily allow the Community to meet the constraints proposed by Mr Dunkel.

For example, EC wheat production would be reduced as a result of the price cuts and the acreage set-asides included in the MacSharry package. At the same time, lower prices would increase EC wheat use, in particular for feed. This would lead to wheat exports well below the volume of subsidised exports allowed under the Dunkel proposal. Equally, export subsidy expenditure would remain safely below that allowed under the prospective Gatt agreement.

It may be more surprising that the total level of domestic support, as measured by the so-called Aggregate Measure of Support (AMS), would also remain comfortably within the Dunkel constraint, even if Mr MacSharry's compensation payments to farmers were included.

This result is explained by the reduction in EC production under Mr MacSharry's proposal. That reduction would lower aggregate assistance by more than just the cut in prices. The compensation payments would cover only the effects of price reduction. In addition, the EC has reduced its cereals prices significantly since the base period for defining the Gatt constraints (1986-88). Tariffication would also not be any threat, since the tariff allowed under the Dunkel proposal would be more than sufficient to protect the EC wheat price that results from the MacSharry Plan.

It is difficult, therefore, to understand why the EC thinks it should not accept the agricultural agreement proposed by Mr Dunkel. Even with a somewhat watered down version of the MacSharry Plan for CAP reform, it would still have enough room for manoeuvre. Indeed, the Community should work constructively towards a Gatt agreement that would be in line with its own attempts to rationalise the CAP. The question of whether MacSharry's compensation payments are included as allowable subsidies – the so-called "green box" – is far less important than now appears in the negotiations.

At the same time, certain amendments could be made to the Dunkel proposal. Since the constraint on domestic support will not bind a reformed CAP, the EC could even take the initiative by proposing a cut in aggregate support larger than the 20 per cent proposed by Mr Dunkel. As US agricultural policies make heavy use of domestic subsidies, a larger cut in domestic support would impose a more binding constraint on the US and so reduce the EC's temptation to argue that US deficiency payments on exported produce should be treated like export subsidies.

In addition, to leave a little time for the changes in agricultural policy instruments that are required if they are to be more neutral in their effects on production – and hence eligible for the green box – the latter might be defined somewhat more generously for the first few years. Thereafter, requirements for inclusion in the green box might be tightened.

Too tight a constraint on the volume of subsidised exports during the period of adjustment would also be dangerous, since it would push governments towards domestic supply control, this being a move away from, rather than towards, a more market-oriented agriculture.

Both the MacSharry Plan and the Dunkel proposal can stand on their own merits. The MacSharry Plan would correct some of the deficiencies of the CAP. Meanwhile, the Dunkel proposal would begin the needed process of integrating world agricultural trade into the global trading system.

The combination of the MacSharry Plan with the Dunkel proposal would represent mutually reinforcing policies. The MacSharry Plan allows the Community to accept a successful conclusion of the Gatt round. The EC should welcome the chance now offered, rather than fear the constraints it appears to impose.

Tim Josling is a professor at the Food Research Institute, Stanford University; Stefan Tangermann is a professor at the Institute of Agricultural Economics, University of Gottingen.

Joe Rogaly

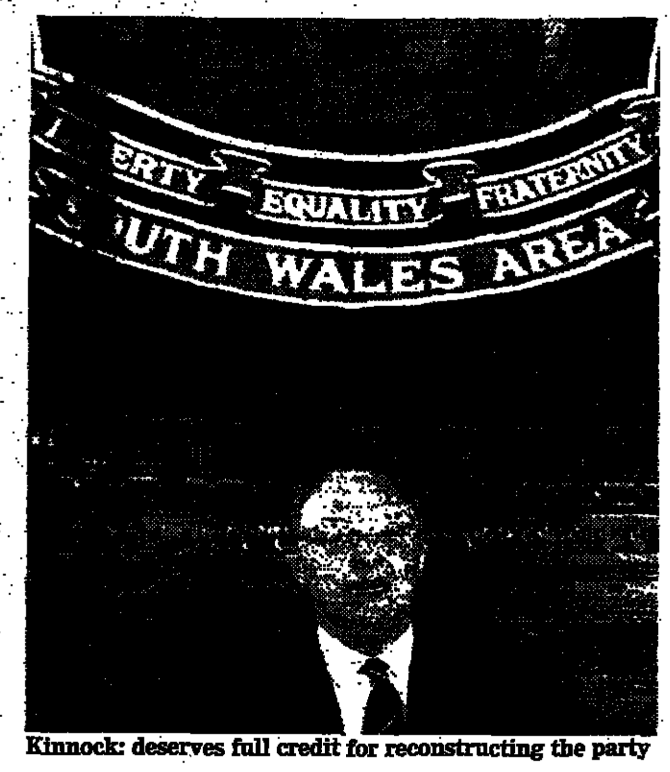
Kinnock leaves an empty legacy to successor

The Opposition is shut down for repairs. These may take some time. I hope they do. A hasty patch-up following the devastating defeat of Labour last Thursday is unlikely to save *the people's party* from permanent electoral frustration and eventual extinction. A quick fix with the Liberal Democrats, who also did less well than expected, would have all the chances of success of two drowning parties clinging together.

We must wait awhile. Politicians of a left-wing persuasion must be given time to think. The trouncing received at the hands of the Conservatives under Mr John Major has not yet begun to sink in. Labour could not manage to attract more than 35 per cent of the votes in mid recession after a campaign universally hailed as smoothly professional. If *not* then, when? The Lib Dems could not hold their optimum support when it became apparent that to plump for them would be to let Labour in. That was true in 1987 and 1992; who is to say that it will not hold good in 1996 or 1997?

Certainly not Mr Neil Kinnock. The outgoing Labour leader, who announced his resignation yesterday, deserves full credit for reconstructing the party, but it has to be said that the legacy he leaves his successor is an empty one. This may be harsh, but it is the truth. He achieved a great deal, but in terms of winning the next election, it is as if it were nothing. A little reminder of recent history will show what I mean. When Mr Kinnock took over in October 1983, Labour was in ruins, shattered by the leadership of Mr Michael Foot and the consequential defection of many of its middle-class supporters to the Social Democrats. Its vote in that year's election was less than 28 per cent; last week it was seven *percentage points higher*.

That is the most accurate measure of Mr Kinnock's bequest to his successor. There are other, perhaps more valuable heirlooms. Labour is no longer in favour of unilateral nuclear disarmament, withdrawal from the European Community, or the wholesale nationalisation of industry. During the past three years, it has devoted itself to becoming *less frightening* to middle-of-the-road voters. It has tried to emulate the continental social democrats it so admires. It has begun, ever so gingerly, to detach itself from the lethal embrace of the trade unions. Mr Kinnock worked hard on this successful transformation of a ragged and inchoate movement into a structured political machine. He demanded discipline of his followers and set a personal example of self-control.



Kinnock: deserves full credit for reconstructing the party

Yesterday's outburst against the Tory tabloids may have been imprudent, but you have only to recall their combined ferocity to understand his position. It would, however, be fatal for Labour to convince itself that it was defeated by *the Daily Mail*, *the Daily* Express and the Sun. It might have been less badly beaten without them, but the fears upon which these papers played – of higher mortgages, higher taxes and a prolongation of the recession – *were genuinely felt by many* voters. The arguments had to have some semblance of rationality to succeed.

It is probable that unless Labour makes a break with its own history it has no future

It would also be a mistake to assume that another four or five years of Kinnock-style modifications of party policy will be rewarded by victory next time. This is the trap inherent in the apparently unstoppable movement to elect Mr John Smith as successor. I have frequently expressed admiration for Mr Smith's political personality. He has handled the task of shadowing the chancellor with immense skill. What is being questioned, not least by those who would prefer a different leader, is his tactical judgment.

This requires some explanation. A few weeks ago, I thought that his proto-budget, taxing higher earners and spreading the benefits, might have neutralised the political effect of the real Budget presented by Mr Norman Lamont. Now, with hindsight, it must be acknowledged that Labour fell into a trap. Once Mr Lamont had introduced his 20 per cent band for low earners, Messrs Kinnock and Smith felt *obliged to find tax cuts of their* own, however small. They therefore put aside all thought of phasing-in their proposed top rates. This gave verisimilitude to the Conservative charge that there would be higher taxes for all *under Labour. It gave the* black tabloids a basis of fact upon which to build their propaganda.

Mr Smith would nevertheless be the leader best able to steady the opposition's nerve after last week's shock. Some Labour folk fear a further haemorrhage of support over the next few months, taking the party down to where Mr Kinnock found it. Mr Smith might be able to stop that by his mere presence. There is, however, a catch. Under present plans, the leadership election will take place before the end of June, using existing party rules. That means 40 per cent of the vote is in the hands of trade unions. This is the wrong way to elect a party leader for the 1990s. It would hamstring Mr Smith from the start.

Worse, such a quick election could perpetuate the myth that the maintenance of party unity is of paramount importance. That would perpetuate unity all right – the unity of the political graveyard. For Labour is still hypnotised by its history. It continues to believe that it is a great party, with a noble destiny. Not so. Last week's 35 per cent popular vote strongly suggests that unless it makes a break with its own history it has no future.

In short, the new Labour leader must risk disunity if he is to save the party. For everything must be questioned, and much must be changed. The divorce from the unions must be absolute. Reducing the block vote at annual conferences from 87 per cent to 70 per cent or even 50 per cent is no good. The correct figure is *zero. Some of the dearest* beliefs of the Labour movement must be re-examined. Mr Roy Hattersley has stuck doggedly to his belief that equality is of greater importance than anything else; he is now to retire without further hope of office. The proper level of taxation, the role of regulation in the market, the nature of the state – all need to be rethought, with the mental focus shifted away from the past century and towards the likely needs of the next.

It may be that the conclusion is that so much would have to be altered that there would be no purpose in continuing with the *Labour party. That is* the Liberal Democrats' dream; they are as vultures perched. But they too live in a fantasy world. The debate within the non-Conservative parties should be accompanied by debate between them.

Mr Kinnock's successor must reach out – to the Lib Dems and beyond – for ideas, shared principles, alliances, partners, supporters. Mr Tony Blair *could do that, perhaps* after a spell of apprenticeship under Mr Smith, or possibly as his deputy. Do not mistake me. Mr Smith would have been an excellent leader this year. The question remains – does he appreciate the scale of change now needed? Mr Kinnock never quite kept ahead of changing opinions. The policies that failed on Thursday might have succeeded in 1987. The danger for the opposition is that the next election will be fought by Labour, in fruitless half-hearted partnership with the Lib Dems, on policies that might have won last week.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Analysing Germany's problems

From Mr Bryan Cassidy MEP.

Sir, You quite rightly drew attention in your editorial on 10 April ("A deepening German crisis") to the difficulties the German government has in responding quickly and effectively to rapidly changing economic circumstances – to the disadvantage of Germany's partners in the EC. This slow response is an inevitable result of the coalition government which has meant that, in a number of respects, Germany has failed to deal with long standing issues. For example, with little privatisation in the former West Germany, the German tax payer continues to pour huge sums of money into hopelessly inefficient coal mines (to enable them to provide unfair competition with efficient British mines).

Your editorial analysis of Germany's paralysed political system failed to identify one of the reasons for it – Chancellor Kohl's having to depend upon the support of the Free Democrats in coalition. I know that your newspaper has a strong *predilection for proportional* representation, but doesn't your own editorial on April 10 undermine the case for it?

Bryan Cassidy,
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Constituency HQ,
Blandford, Dorset DT11 7BU

Short-term view is a threat to Britain's energy R&D

From Prof Ian Fells.

Sir, The Central Electricity Generating Board took its responsibilities for pursuing generic R&D in energy supply seriously, if a little heavy-handedly. Its successors, as Clive Cookson points out (Technology: "A shock to the system", April 9), have abandoned this responsibility, no doubt with, as always, the shareholders in mind. The power manufacturing industry is equally bad; the result of kow-towing to the CEGB for many years and expecting the CEGB to pay for any research they did.

So who is to be responsible for long-term R&D in future; the regulator? He has more than enough on his plate. The Department of Energy might have done, but that, according to the Conservatives' manifesto, is to disappear into the maw of Department of Trade and Industry.

We are in serious danger of becoming an offshore energy "banana republic", buying licences from European colleagues who have the good sense to take a long-term view rather than rely on market-led, short-termism as an "energy strategy".

Ian Fells,
professor of energy conversion,
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Terms for rescheduling

From Mr Michael Ruddy.

Sir, Is there not a risk that *Barclays and the other* creditors of Olympia & York and Heron may allow a close professional relationship to sweeten the terms of the debt reschedulings, leading to a further squeeze on the banks' other customers, both borrowers and lenders? Since presumably there is no automatic right to reschedule, it will be in the long-term interests of those customers if the banks demand, in addition, some participation in the equity or *assets of those companies*, even to the point of foreclosure, which in itself could leave a salutary lesson for the next property boom.

Michael Ruddy,
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Time to ban opinion polls during elections

From Dr D W Phillips.

Sir, From merely anecdotal evidence (no stratified sampling, I'm afraid), I tend to conclude that I am not alone in wishing that opinion polls should be banned during electioneering. It is not only that they turn what should be a tug-of-war into something more like the Boat Race, with all the misleading consequences that that entails. They are also a colossal bore.

Your contributor Joe Rogaly's articles over the past few weeks have devoted more space to analysing and commenting on the polls than they have to the parties, policies and personalities concerned. That, at any rate, is the impression they make on one constant reader (myself).

If Mr Rogaly is still writing for you at the next general election, and if the polls have not been banned, I hope that he will ignore them, and write about what the poll-bemused *politicians frequently referred* to last night as "the real world".

D W Phillips,
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More qualified view of EC social security entitlements

From Dr Philippa Watson.

Sir, I found your article "Innocents Abroad" (April 3) most informative. However, some statements made therein might be misinterpreted and should be clarified.

First, the co-ordination of social security systems was achieved in 1958. Consequently it is misleading to state that "some progress" was made on the co-ordination of social security systems in the early 1970s.

It is equally misleading to state, without qualification, that: "A British worker claiming unemployment benefit in France is entitled to the same treatment as a Frenchman."

To qualify for French unemployment benefit, such a worker would have to be insured under French law immediately prior to becoming unemployed. In addition, he would have to fulfil all the *conditions for entitlement to this* benefit under French law.

An unemployed British worker who wishes to go to France to seek employment has no right to French unemployment benefit but could have his UK benefit exported to him there for a period of three months.

With respect to pensions, there is no obligation imposed upon the country of origin of the migrant worker to pay a proportionate amount of his pension. Still less does community law create a system of "winners and losers". The system is designed to ensure that beneficiaries receive those benefits which they and their *employers have paid for*. A pensioner gets, from each of the member states in which he has been insured, a pension the amount of which is calculated in accordance with the number of contributions he has paid under the law of that state.

Your article might be interpreted as meaning that the pension entitlement of a migrant worker is that of the country in which he retires regardless of where he has worked.

Finally, while the portability of occupational welfare schemes is a problem, it is not correct to state that "efforts to harmonise such schemes were *scuppered last year by the EC*".

It is not the intention of the Community to harmonise either social security or occupational welfare schemes. Its ambitions are confined to achieving the portability of benefits, a matter which does not require harmonisation.

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OBSERVER

Hanson quits the turf

■ It is not just Britain's horsy set which looks on the first Wednesday in June as one of the most important dates in the year. Derby Day is marked in red on a lot of proletarian calendars too.

So there is bound to be widespread unease at the news that those well known *turf* accountants, Lords Hanson and White, are selling the Ever Ready battery company – proud sponsors of the Derby for the last six years.

Is nothing sacred? Although Hanson has always insisted that sponsoring the Derby helped the group by revitalising its battery business's brand name, everyone knows that horse-racing is Lord White's favourite hobby. Last year's arrival on the Hanson board of champion jockey Chris Collins added weight to suspicion that the Derby was the one hobby horse that Hanson's hard-headed *accountants* were happy to feed. Yet Hanson is now selling Ever Ready to the world's biggest pet-food company...

Hanson insists the deal has no strings attached to it that will permit the group's horse-*loving directors* to hang on to their Derby Day privileges. But buyer Ralston Purina says it has promised to honour Ever Ready's commitment to sponsor the event until 1994.

Be that as it may, the future *of the Hanson* Coronation cup race in Derby week looks cloudy after this year. Moreover, there is little chance of Lord White hosting another Ever Ready Derby lunch, and still less of Epsom's new stand being named after him.

Perhaps it's all for the best. Hanson has not been having much luck with sport. Not only has its investment in race-horses proved a financial and PR disaster, but its Tommy Armour *golf club subsidiary* stopped sponsoring Fred Couples less than four months before his weekend Masters tournament win.

Heads you win

■ The outcome of the general election may not have done much for the reputation of the professional pollsters, but one of them, the high-profile Robert Worcester of Mori, can at least look forward to a consolation prize. He says he stands to win several hundred pounds on private bets – including a a bottle of champers *from* BP's Bob Horton – that the Tories would win a 22-seat majority.

Maybe he should stick to his hunches next time...

Sound sleepers

■ A hotelier in St Andrews is offering cut-price accommodation – but only to those who voted Conservative in last week's UK election. David *Malloch*, proprietor of the Lathones Manor Hotel, says that two nights' dinner, bed and breakfast in a twin or double room would normally cost £88 per person.

But he is offering it at £53 if you can name the Tory candidate in your constituency and swear, at check-in, that you voted Tory. He says he doesn't expect widespread abuse, though "anyone who appears very unconvincing may have to explain the benefits of Tory policies".

Modest tradition

■ In their own view, Japan's "yakuza" gangsters have always been an important part of the country's system. Without their administrative

guidance, they claim, not only would crime be disorganised, but popular pastimes such as stock-price manipulation would lack coherence.

Quite a different view is understandably taken by the police, whose growing frustration has led to the passing of laws designed to dismantle the yakuza's complex and ritual-laden *organisations. Even so*, the system has been flexible enough to provide for public hearings where several gang bosses have defended their "rights of assembly" and "freedom of expression".

According to one of them, what they lead is not gangs but "chivalrous groups" upholding Japanese traditions against modern materialism and evil. A second boss, whose minders wore the characteristic hairstyle known as the punch perm, said his organisation was a "law-abiding institution", which regretted that its methods and members had been "misunderstood".

The hearings were intended to give the gangs a right of reply before the inevitable police crackdown. The police know the gangsters and the gangsters know the police, so there's no rush to arrest the yakuza, who are now banned from such lucrative activities as "debt collection" and "brokering civil disputes".

A further boss promised to "accept the new law with modesty" – though whether that meant actually abiding by it, he didn't explain. Meanwhile another prominent gang member has offered Washington a choice of either defending the rights of yakuza, or having them boycott the Cadillacs and other US gas-guzzlers so much in vogue as an imported symbol of Japanese gangster tradition.

Forked tongue

■ A letter in yesterday's Guardian alleging that supporters of John Smith had plotted to manoeuvre him into the Labour leadership if Neil Kinnock lost the election has set the cat among the pigeons. The letter was from Colin Byrne, the former Labour party press officer who left Walworth Road after a spat with John Underwood, Peter Mandelson's successor as campaign supremo.

What makes the allegations more pertinent to the leadership campaign is that Byrne is still – as the phrase goes – close to the Kinnock camp. He lives with Kinnock's press secretary Julie Hall; they are soon to be married. Can we assume, therefore, that the bile in Byrne's comments on Smith's shortcomings is shared by Kinnock himself?

After all, wasn't it Smith's plan for taxing Essex men that lost Kinnock their votes?

Re-financing

■ "I asked my ex-wife if she'd marry me again, but she turned me down. She said I was only after her for my money."

FINANCIAL TIMES
Tuesday April 14 1992

Athens fears a diplomatic defeat by EC over recognition of Macedonia

Greek foreign minister sacked

By Kerin Hope in Athens

THE Greek prime minister, Mr Constantine Mitsotakis, yesterday sacked his foreign minister, a strong opponent of Greek recognition of Macedonia – and then proceeded to endorse some of his hardline views.

In a series of contradictory moves, Mr Mitsotakis appeared to have decided to make a scapegoat out of Mr Antonis Samaras amid fears that Greece faces a humiliating diplomatic defeat by the EC over the Macedonian question.

But he seemed to be hedging his bets by announcing he would take over the foreign ministry "to enable Greece to follow effectively and responsibly the policy demanded by the people".

He added that he would appoint a retired diplomat, Mr Ioannis Tzounis, as foreign under-secretary. In recent weeks, Mr Tzounis has acted as the prime minister's personal adviser on the issue.

Mr Mitsotakis appears to fear that Mr Samaras's rise in popularity as a result of his strong stance on Macedonia has undermined his own position at the head of the ruling New Democracy party.

He called for a parliamentary vote of confidence to be held on Friday night.

Until yesterday, Mr Mitsotakis had let it be understood that Greece would recognise Macedonia if its name had a prefix to distinguish it from the northern Greek province of Macedonia, and if past claims of kinship with Slav speakers in Greece were dropped.

Yesterday, however, he reversed his position, backing Mr Samaras's insistence that Macedonia should find an entirely different name.

He also made public proposals by Mr Samaras which included threats to veto EC recognition of Macedonia and to close the border between the two countries, a move which would hurt Greek as well as Macedonian exporters.

However unrealistic these proposals may be, given that international recognition of Macedonia under its present name could come as early as next month, they are backed by a sizeable number of conservative deputies and a large segment of public opinion.

Mr Mitsotakis has quarrelled with half-a-dozen cabinet ministers in the past year. With the departure of Mr Samaras his government looks increasingly shaky.

A crushing win by the main opposition Socialists in a by-election last week underlined the fragility of the conservatives' grip on power, with only a one-seat majority in parliament.

Yet even if he yields to nationalist sentiment on Macedonia, Mr Mitsotakis will still be under fire from conservatives because of the gloomy economic outlook.

It is more than a year since Greece promised strict implementation of a medium-term stabilisation programme in return for an Ecu1.1bn ($1.36bn) EC loan.

The annual inflation rate, however, is still stubbornly high at 18.3 per cent, despite a public sector pay freeze, while the public debt, which amounted to 95 per cent of gross domestic product last year, shows little sign of shrinking.

Virtually no progress has been made on the structural reform component of the programme, which aims at reducing the deficit through broadening the tax base, trimming the civil service payroll and cutting state welfare outlays by raising the pensionable age.

Parliament last year approved as many as 10 tax laws proposed by the finance ministry. However, much to the annoyance of Greek wage-earners, none seriously attempted to address the problem of tax evasion by self-employed professionals, mainly doctors and lawyers.

Mr Mitsotakis makes a point of sounding tough when he talks about modernising the economy so that Greece can participate in EC monetary union.

Several prominent conservative deputies have publicly criticised the prime minister for committing the government to a restrictive economic policy throughout its term.

Colin Beere

Sir Nicholas Hunt, director-general of the General Council of British Shipping, salvages a book from the remains of his office

Insurers face £1bn claims

Continued from Page 1

room from scratch after surveying the scale of damage to its building.

The Corporation of London said no buildings would need to be totally demolished. However, 10 buildings in St Mary Axe, including the Baltic Exchange, the Chamber of Shipping and the Royal Bank of Scotland were classed as severely damaged.

Police said traffic flow through the City had largely returned to normal, although strong winds and reconstruction work had dislodged some fragments of glass.

FOREIGN COMPANIES HIT BY LONDON BOMB

Address	Company
Commercial Union Building	Daiwa Bank
	Sanwa Bank
	Sanwa International
36-38 Leadenhall St	Bank Bumiputra Malaysia Berhad
Baltic House	Allianz International
Bevis Marks House	Bank Julius Baer & Co.
5-7 St Helen's Place	Hamburgische Landesbank
61 St Mary Axe	Bangkok Bank
	National Commercial Bank
3 St Helen's Place	Kawasaki Heavy Industries

Sterling moves off bottom of the ERM

By Emma Tucker, Economics Staff, in London

STERLING moved off the bottom of the European exchange rate mechanism for the first time in five months yesterday.

The pound, buoyed by the re-election of the Conservative party, leap-frogged the Danish krone to become the second weakest currency in the European Monetary System.

Its better performance was due mainly to its own strength, but analysts said the krone had weakened recently over fears that the country would vote against European Monetary Union in a referendum in June.

Sterling and the dollar also strengthened against the D-Mark, which came under selling pressure because of political uncertainty in Moscow.

The pound closed at DM2.9150 compared with an opening DM2.8988, putting it 6 pfennigs above its pre-election level and within the 2.25 per cent fluctuation margin of the ERM.

In spite of the pound's strength, there was no sign from the Bank of England's money market operations of an early cut in interest rates.

Share prices advanced, lifting the FT-SE 100 share index by more than 6 per cent since the election. The index closed up 18.4 points at 2591.0.

London stocks, Page 29
Currencies, Page 36

Ford plans $3bn minivan development

By Nikki Tait in New York

FORD, the second largest US motor manufacturer, said yesterday that it planned to invest $3bn in North America over the next three years, partly to develop a new minivan.

The company, which reported a record $2.3bn loss last year, said about a third of the funds – more than $900m – would go towards re-equiping its Oakville assembly plant near Toronto, where the minivan will be produced.

Minivans, among which Ford's current Aerostar is a leading competitor, are one of the few North American light vehicle growth sectors, and have assumed critical importance for General Motors and Chrysler, as well as Ford.

Ford's decision to invest in Oakville will allay Canadian fears of an increasing withdrawal by US vehicle makers as a result of trade frictions between the two countries.

Ford added that about $400m had already been spent on a new paint facility at the plant. One production shift at the Ontario truck plant, next to Oakville, will be discontinued in 1993, and about 700 workers transferred to Oakville for production of the minivan.

Eventually, some 400 additional employees will be required, and Ford said it would offer jobs to other workers on indefinite layoff at other Ontario plants. Production of the minivan will begin in late 1993.

A further $650m is going on expanding the Kentucky Truck Plant in Louisville, for the production of F-Series trucks, with plans for 1,300 additional jobs by 1995, when full production is reached.

Close to $1bn will also be spent on the equipping of the Windsor engine plant in Ontario, where a new family of truck engines is due to be produced in 1995.

The $3bn investment, although large, is only a portion of Ford's annual expenditure on retooling and production-related changes.

The Detroit carmaker says, for example, that it spent about $5.6bn last year on changes to production facilities in order to bring new products to the market.

World Weather

		°C	°F
Ajaccio	S	16	61
Algiers	F	21	70
Amsterdam	C	9	48
Athens	F	13	55
Bahrain	S	27	81
Bangkok	F	39	102
Barcelona	S	16	61
Beijing	S	19	66
Beirut	F	20	68
Belfast	C	9	48
Belgrade	S	17	63
Berlin	S	11	52
Biarritz	F	14	57
Bombay	S	32	90
Bordeaux	S	13	55
Boulogne	C	10	50
Brussels	F	8	46
Budapest	S	18	64
Buenos Aires		–	–
Cairo	S	25	77
Cape Town	S	24	75
Caracas	C	31	88
Casablanca †	F	18	64
Chicago †	F	2	36
Cologne	C	11	52
Copenhagen	F	9	48
Corfu	F	15	59
Dallas †	C	16	61
Dublin	C	10	50
Dubrovnik		–	–
Edinburgh	S	9	48
Faro	S	20	68
Florence	S	19	66
Frankfurt	F	13	55
Geneva	S	12	54
Gibraltar	S	19	66
Glasgow	F	10	50
Helsinki	C	6	43
Hong Kong	F	20	68
Innsbruck	C	10	50
Inverness	R	8	46
Islamabad	F	28	82
Istanbul	F	9	48
Jakarta	R	33	91
Johannesburg	F	24	75
Lisbon	S	19	66
London	C	11	52
Los Angeles †	S	13	55
Luxembourg	R	8	46
Madeira	C	17	63
Madrid	S	17	63
Majorca	S	19	66
Malaga	C	17	63
Malta	S	18	64
Manila	C	35	95
Melbourne	F	25	77
Mexico City	C	25	77
Miami †	F	21	70
Milan	F	15	59
Montreal †	S	-7	19
Moscow	C	6	43
Munich	R	7	45
Nairobi	F	25	77
Naples	F	16	61
Nassau	C	29	84
New Delhi		–	–
New York †	S	2	36
Nice	S	16	61
Nicosia	S	17	63
Oporto	S	20	68
Oslo	R	6	43
Paris	C	11	52
Prague	F	10	50
Reykjavik	S	4	39
Rhodes	S	16	61
Rio de Janeiro	F	35	95
Rome	S	16	61
Salzburg	C	9	48
S'Francisco †	S	11	52
Seoul	F	13	55
Singapore	F	33	91
Stockholm	C	6	43
Strasbourg	S	13	55
Sydney	F	23	73
Taipei	F	22	72
Tangier	S	19	66
Tel Aviv	S	22	72
Tenerife	S	20	68
Tokyo	F	16	61
Toronto †	S	-5	23
Tunis	S	20	68
Valencia	S	19	66
Venice	C	16	61
Vienna	F	15	59
Warsaw	S	17	63
Washington †	S	5	41
Zurich	F	11	52

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

THE LEX COLUMN

Sterling in the frame

Not only did sterling's close yesterday of DM2.92 put it well within its narrow band range for the first time since November, but the British currency finally ceded bottom place in the system to the Danish crown. No doubt there will be clamour for Mr Norman Lamont to celebrate by moving to narrow bands and cutting interest rates. Such hopes still look premature.

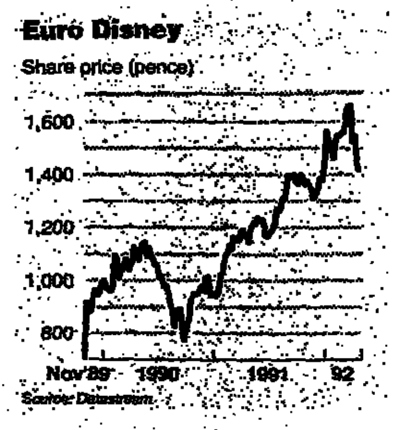
Part of sterling's gain was due to D-Mark weakness on worries about political instability in Russia. Such alarms have a habit of being transitory, as the response to last year's abortive coup showed. It would be dangerous, too, to base expectations for monetary policy on the latest report of the five top German economic institutes. Their call for the Bundesbank to cut rates later in the year is likely to go unheeded as long as money supply is growing three percentage points above its target ceiling. The US may have shaved its rates, but there is no reason for Japanese financial turmoil to deflect the Bundesbank from its obsession with reducing Germany's 4.7 per cent inflation rate.

Sterling's higher level against the D-Mark may thus prove temporary. If not, the government will have to make up its mind on narrow bands. The step could be taken as soon as sterling is both firm and towards the middle of its range. It is worth recalling, though, that sterling might then be harder to defend if pressure built up for a more general realignment. The move to narrow bands would presumably also allow a small cut in interest rates. But the UK's inflation and import performance still leave room for improvement, and there is less hurry now the election is over. There is a case for waiting, even if it deprives the market of the stimulus it craves.

FT-SE Index: 2591.0 (+18.4)

Euro Disney

Share price (pence)



Source: Datastream

Hanson

Hanson's £132m sale of Ever Ready UK is bound to provoke a further rash of theories on what the company is up to. Perhaps the deal is evidence that Hanson is clearing the decks for the next megabid, now that the UK is re-confirmed as a free market paradise. Perhaps it is an admission of defeat, in that the Hanson method has been able to squeeze only so much out of Ever Ready before discarding it.

Perhaps it is neither. In the context of Hanson's past deal-making, £132m is neither here nor there. As for the new Tory government holding the door open to takeovers, Hanson has not mounted a hostile bid since 1986. It may be that Hanson can do nothing more with Ever Ready. It is probably more relevant that the group is increasingly concentrating on a small number of large businesses. It would not do to exaggerate this; Hanson is still, for instance, one of the UK's biggest suppliers of elastic bands. But it seems at least plausible that the future of the company after Lords Hanson and White is that of a safe, dull dispenser of basic commodities such as coal, tobacco and gravel.

Granted, this may not be a matter of choice. In retrospect, it is possible to see the 1980s as a period of unique opportunity for the classic acquisitive conglomerate. The world was awash with money, mistakes were covered up by asset inflation and equity investors were prepared to part with a Thomas Tilling or an SCM at silly prices. In today's world of dear money and low inflation, the risk of overpaying in a contested bid does not stack up any more. Far better to do as Hanson did with Beazer: pick a company crippled by debt and make the sums work by refinancing the debt at lower rates. The acquisitive conglomerates will still do the odd deal. But they may be buying from the banks rather than the equity market.

Euro Disney

There was always likely to be profit-taking in Euro Disney in the run up to last weekend's opening in Paris, whether or not it was sparked off by cultural antagonism to Mickey Mouse. The project, after all, has reached that inconvenient stage where actuarial modelling starts to be tested by experience.

The question for investors is whether the shares have fallen far enough, having dropped 15 per cent since their peak earlier this year. In the short term it would be unwise to count on it, especially since those who subscribed for the issue in late 1989 can get out and still double their money. Longer term the price will presumably fluctuate with attendance figures and spending behaviour, and how these match up with already well discounted expectations. Investors should be prepared, incidentally, for a roller-coaster of market rumours given that official information in the early months is likely to be sparse.

Notwithstanding the prospect of a full financial year with operational profits, yardsticks like the earnings multiple and yield will remain unhelpful well into the mid 1990s. In the meantime, sentiment about the north European weather and the capacity of family budgets to finance the Disney experience will be more important.

Mowlem

The market has been conspicuously unforgiving this year towards UK companies offering bad tidings on the dividend front. It was thus consistent in pushing John Mowlem shares 10 per cent higher yesterday on the grounds that its final payout has been cut less than feared. In the present post-election mood, investors may be more susceptible to the idea of a robust recovery finally arriving. But even on the most optimistic profit forecasts a maintained dividend will not be covered this year. There can be no guarantee for 1993 either.

The trouble with Mowlem is that there have been too many disappointments in the past to leave room for confidence that the group has it right this time. The balance sheet may look relatively solid and the provisions reassuringly conservative. But aside from its small operations in housebuilding and equipment hire, it is a late-cycle stock which will be fully exposed to the sharp downturn in contracting turnover and profits this year. Mowlem's quality in this area cannot be faulted, but it will not be alone among its peers in suffering from a drop in cash balances. At least the group's proposed exit from commercial property development, which should be achievable given that the related write-downs imply yields of 12-14 per cent, means there will not be a black hole for remaining spare cash this time.

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INSIDE

La Générale profits fall to BFr7.6bn

Société Générale de Belgique, Belgium's largest holding company, yesterday announced a 38 per cent fall in net profits for 1991 to BFr7.6bn ($223m) from BFr12.2bn. The group said there were signs of growth in 1992, and plans to maintain its dividend at BFr84 per share as a sign of confidence. Page 22

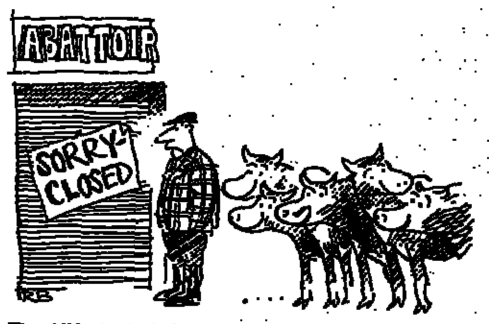
Goodyear sees good quarter

Goodyear Tire & Rubber, the US tyre-maker, yesterday said it expected to post record first-quarter sales and put forward an accelerated timetable to reduce its debt. Page 22

Powell Duffryn sells unit

Powell Duffryn, the distribution, storage and engineering group, is pulling out of the shipping industry with the sale of a 60 per cent stake in Stephenson Clarke, one of the most famous names in British shipping. The sale values the Stephenson Clarke fleet at £19m ($33.4m). Page 26

Tough times at the abattoir



The UK abattoir industry is dying on its feet. Caught between the high costs of complying with EC regulations and competitive pressures from domestic wholesalers, up to half of Britain's slaughterhouses are likely to go out of business in the next two years. This trend is already having an impact on the country's livestock producers. Page 28

Late assault by Koreans

Korean companies are launching a late assault on the competitive German construction equipment market. Samsung Heavy Industries and Hyundai Construction Equipment are actively negotiating with German entrepreneurs to set up dealer networks in Germany, which accounts for about 37 per cent of the European construction equipment market. Page 23

BHP buys NZ Steel

New Zealand Steel, established in the 1960s to give the country independence from British and Australian suppliers, has been sold to one of its greatest rivals, Australia's BHP. Page 23

Italian models of efficiency

Weighed down by debt and compromised by political considerations, Italy's state-run industrial companies seldom stand out as models of efficiency. One possible exception to this rule is Italgas, the public-sector gas distribution group. Haig Simonian reports. Page 20

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Aachen	899	+	9
Falls			
Dragerwerk	295	−	4.8
Fag Kugel	260	−	5.8
Lahmeyer	780	−	10
Schmalbach	541.5	−	11.5
Volkswagen	363	−	5.3

NEW YORK ($)

Rises			
Fibreboard	$6\frac{3}{8}$	+	$1\frac{3}{4}$
Ford	$40\frac{3}{8}$	+	$\frac{3}{8}$
Goodyear	$70\frac{3}{4}$	+	$2\frac{1}{8}$
Falls			
Chemical Bk	$31\frac{5}{8}$	−	$\frac{1}{8}$
Employee	$17\frac{3}{8}$	−	$2\frac{1}{8}$
Morgan JP	$54\frac{1}{2}$	−	$\frac{3}{4}$

PARIS (FFr)

Rises			
Essex	1945	+	42
Industrielle	7030	+	330
Falls			
Cetelem	785	−	15
Legris	406	−	11
Pernod	1594	−	50
SILIC	572	−	18

TOKYO (Yen)

Rises			
Crown	890	+	90
Janoko Bank	540	+	69
Kanto Denka	365	+	42
Nippon Chuf	560	+	60
Takashima	345	+	40
Falls			
Fuji Spinning	503	−	72

LONDON (Pence)

Rises			
AMEC	168	+	7
Airbreak Leis	56	+	$4\frac{1}{2}$
Alexandra Wkrw	60	+	8
BM	346	+	30
CI	21	−	4
Dalepak	353	+	20
Dinkie Heel	$12\frac{1}{2}$	+	$2\frac{1}{2}$
First Natl Fin	46	+	4
Higgs & Hill	82	+	8
Kleinwort Bnsn	250	+	12
Locker (T) A	17	+	3
Mayborn	108	+	14
Midland Bank	372	+	16
Mowlem (J)	148	+	13
Owners Abroad	103	+	$5\frac{1}{2}$
Rathbone	443	+	28
Simpsons Cnhill	35	+	5
Trafalgar Hse	131	+	7
Wilkes (J)	148	+	14
Falls			
Barclays	315	−	12
Gt Western Res	18	−	3
Jarvis	31	−	3
MTM	32	−	7
Vivat	23	−	3

Banks cautious on O&Y debt plan

Robert Peston and **Bernard Simon** in Toronto on concern over the group's proposals and a potential conflict among creditors

Paul Reichmann: proposals may protect family interests

BANKERS meeting in Toronto yesterday said they were unhappy about key elements of Olympia & York Development's plans to reschedule payments on US$5bn of the property group's $12bn debt.

In separate developments, bankers warned there could be a damaging conflict between two groups of lenders to O&Y's Canary Wharf office development in London's docklands.

O&Y last night named former Chrysler vice-chairman Mr Gerald Greenwald to take over from former US banker Mr Tom Johnson as the company's president. He was also named as deputy chief executive.

O&Y confirmed yesterday that it has severed ties with Mr Johnson, who held the president's job for just two weeks. The new president would take some of the management load off Mr Paul Reichmann's shoulders.

Bankers representing some of the 100 institutions attending yesterday's meeting said they were concerned that O&Y's proposal may be slanted towards protecting the interests of the Canadian Reichmann family, which founded and owns O&Y.

They cited O&Y's plan to redeem all C$800m (US$672m) of commercial paper, or short-term securities, issued by the group. "The commercial paper holders should rank behind the banks", said a banker. "They are being paid off yet we are being asked to defer repayments on what we are owed and we are being asked to put up new money."

O&Y is expected to finalise a sale-and-leaseback deal this week on the Exchange Tower in Toronto, enabling it to repay holders of one commercial paper programme secured by the building. Bankers questioned whether the Reichmanns had yielded to demands from commercial paper holders too easily, for fear that they might have to declare insolvency under Canadian law.

In a related development, a potentially damaging conflict has emerged between two groups of lenders to the Canary Wharf project, O&Y's ambitious £3bn ($5bn) office development in London's docklands. It emerged over the weekend that four leading Canadian banks, including the Canadian Imperial Bank of Commerce, Royal Bank of Canada and Bank of Nova Scotia, have secretly lent £450m for the Canary Wharf project. They took as security shares in Canary Wharf companies.

Bankers say that means these banks rank behind a separate "club" of 10 banks which lent £500m for Canary Wharf at the end of 1990. This loan is secured on O&Y's assets rather than on shares.

At the heart of the conflict is O&Y's need to raise a further £350m to complete Canary Wharf over the next two years. Bankers in the club of 10 – including Citicorp of the US, Hongkong and Shanghai Bank, Crédit Suisse, Lloyds and Barclays of the UK – say that the four Canadian banks have the most to lose if the Canary Wharf project is not completed, because the Canadian banks hold inferior security. Therefore they feel the Canadian banks should put up most of the new money. However, three of the four Canadian banks are also in the club of 10, making the conflict even more complicated.

Bankers predicted that it would take some time for banks to agree to O&Y's overall financial reconstruction plan.

About 50 of the 100 banks are being asked to make sacrifices to prop up O&Y. Those being asked to defer payments need reassurance that this is "equitable". Direct lenders to O&Y's US and Canadian property interests are not being asked to reschedule.

Profile, Page 22

Maggie Urry examines the 'Hansonisation' of the Ever Ready group

Takeover put spark into battery maker

It would be simple to characterise Hanson's sale of the UK part of Ever Ready as yet another example of the conglomerate's habit of buying and selling businesses.

Certainly Hanson is now selling for £132m ($227m) a slice of a business bought for £95m in 1981. It sold the European subsidiaries for £37m in 1982, and is keeping the South African operation, which makes slightly higher profits than the UK business.

The anti-Hanson camp could use the disposal to argue that Hanson is a churner and not a developer of businesses. If Hanson was really a long-term investor, they might say, it could have taken the Ever Ready business to the next stage of development.

Ever Ready has often been held up as one of the successes of the "Hansonisation" process. Under Hanson's control it has invested, launched new products and increased profits. But the crunch has come 10 years after its acquisition. Mr Martin Taylor, vice-chairman of Hanson, agrees that Hanson must now sell Ever Ready UK if its full potential is to be realised. Ralston Purina, the buyer, is the world's largest battery maker and, the argument goes, Ever Ready UK will be better off joining it.

The question remains – does the Hanson method work in the long term? When Hanson acquired Ever Ready just before Christmas 1981, the company was in trouble. Its old management had changed the name to Berec, throwing away a well-known brand. It had failed to move into the alkaline battery sector of the market, the fastest-growing area. And its management was burdened with layers of people contributing nothing.

Mr Bob Nevitt, managing director of Ever Ready UK was national sales manager at the time of the takeover. He joined the business in 1959 and was promoted to his present job by Hanson. He was delighted when Hanson arrived, he says.

"There were umpteen layers of management between us and the decision makers. We were being taken apart by Duracell [the leading alkaline battery maker] at the time and had no response."

UK retail battery market

	Volume share (1991)
Ever Ready	36%
Duracell	27%
Vidor	9%
Varta	4%
Own label	12%
Others	12%

Source: Every Ready

Battery market by type

	Volume	Value
Alkaline	47%	58%
Zinc Carbon	51%	34%
Rechargeable	2%	8%

Source: Ever Ready

The change since Hanson took over has been revolutionary. For example, Mr Nevitt says that he, the sales director, the marketing director and the finance director share a secretary. "She is an incredibly busy lady," he admits.

More seriously, he says that when Hanson moved in it discovered a "commercial department" of 40 people. When asked what the department did, there was no real reply and it was abolished. Head office numbers were slashed from 550 to 75 and the office was relocated.

The company's research and development facility employed 250 people. But, says Mr Nevitt "they were generating nothing for us and costing a huge amount of money". Hanson selected the 55 or 60 people it wanted to keep and moved them from north London to be near the main manufacturing plant in the north-east of England. An advanced projects facility near Oxford was sold, while the German research and development establishment, which was working on alkaline batteries, went when the European businesses were sold – ironically to Duracell.

Hanson's well-known financial rigour did not stop it investing in the company, Mr Nevitt says. Hanson was "prepared to listen to sensible propositions requiring millions of pounds," Mr Nevitt says. The first thing Hanson did was bring back the Ever Ready name. Then it turned to correcting the failure to attack the alkaline, long-life, battery market.

In less than two years from the takeover Ever Ready launched Gold Seal, now the largest rival to Duracell in the alkaline market. Mr Nevitt claims that Gold Seal has a 21 per cent share of that sector of the market compared with Duracell's 55 per cent, figures Duracell has disputed.

Ever Ready still has half the zinc carbon sector – with Silver Seal and Blue Seal – giving it a 36 per cent share of the market as a whole, worth £350m a year. Now, Mr Nevitt says, Ever Ready and Duracell just about match each other in marketing spending, at about £7m a year each.

As well as increasing the marketing spend, Ever Ready invested in high-speed production lines, enabling it to cut costs. Meanwhile, the slimmed-down R and D department developed Gold Seal batteries, the Silver Seal brand which is a longer-lasting zinc carbon battery, and worked on reducing the mercury content of batteries.

So why is Hanson selling? Mr Nevitt says, and Mr Taylor agrees, that Ever Ready UK needs to become part of an international business, which it was when when Hanson acquired it. As well as selling the European businesses back in 1982, Hanson closed the loss-making Hong Kong arm and its Nigerian operation. Exports have also fallen as a proportion of Ever Ready UK's sales.

Perhaps it was short-sighted to have got rid of most of the international business? Hanson argues that the European and Nigerian companies were barely profitable at the time, the Hong Kong business was loss-making, and, in any case, Hanson's focus was on the UK and North America. The international businesses – aside from that in South Africa which is run entirely separately from the UK – did not seem to be ones capable of being developed.

The obvious answer now is to reunite Ever Ready UK with Ralston's battery operation, which has the Eveready name in the US. The two were divided in 1914 when the original company, the American Electrical Novelty and Manufacturing Company, floated the UK business and sold the US side to National Carbon, which later became Union Carbide.

The logic of putting the two together was not lost on Hanson. It had tried to buy the US business when Union Carbide sold it in 1986, but lost to Ralston. Hanson again tried to buy the business from Ralston, but Ralston refused. In the end the only answer was to sell to Ralston.

Lex, Page 18

J P Morgan ahead 10% despite $50m trading loss

By Patrick Harverson in New York

J P MORGAN, the New York-based banking group, yesterday reported a 10 per cent increase in first-quarter earnings to $299m, thanks to strong growth in net interest income and buoyant corporate finance revenues, which helped offset a $50m trading loss on mortgage-backed securities (MBS).

The loss in the MBS market, incurred because of a surge in home-mortgage refinancings and a small but unexpected increase in mortgage interest rates, contributed to a 63 per cent decline in securities trading revenues to $165m. The trading loss led to the resignation last month of the company's senior MBS trader.

Total earnings from trading were also hit by less favourable conditions in global interest rate and currency markets, although revenues from trading equities and commodities, including those related to Latin America, rose during the quarter.

The MBS setback and generally weaker trading figures failed to prevent Morgan from reporting the second best quarter in its history because earnings of the group's other activities improved.

Lower short-term domestic interest rates and a steepening in the dollar yield curve lifted net interest revenue 30 per cent to $414m. Morgan also earned $10m from interest on Brazilian medium- and long-term non-accrual loans.

Corporate finance contributed $97m during the quarter in the wake of higher corporate debt and equity underwriting volume, especially in Latin America.

The company's operational service businesses – including items such as corporate trust activities and ADR (American Depositary Receipts) services – delivered $99m, investment management fees brought in $85m, while gains from net investment securities added another $100m. Credit-related fees rose 26 per cent to $48m, due primarily to increased volume and higher returns from securities lending.

Expenses during the quarter were $622m, the same as a year ago. However, the first quarter of 1991 included a special charge of $52m linked to leased office space in London. If this one-off cost is removed from the calculations, Morgan's operating expenses rose 9 per cent in the January-March period. Provision for credit losses in the quarter was unchanged at $10m.

Aetna may sell American Re unit

By Nikki Tait in New York

AETNA Life & Casualty, the largest shareholder-owned insurance company in the US, said yesterday it was negotiating with Kohlberg, Kravis Roberts, the leveraged buy-out specialists, over the sale of its American Re-Insurance subsidiary.

Aetna said "progress was being made" in the talks, but added there was no guarantee of a deal. It stressed that, apart from board approval, the transaction was conditional on KKR's ability to find funding, and necessary approvals from the state-based insurance regulators.

American Re, based in Princeton, New Jersey, reinsures commercial property and liability risks in domestic and international markets.

Its premiums in 1991 were $979m, up from $871m in the previous year, although earnings have been flat for several years, totalling $133m in 1991.

In Aetna's annual report, the reinsurance company warned that pricing conditions in the property-casualty markets could mean continued pressure on earings this year.

Aetna did not specify the price, thought to be about $1.4bn, being discussed with KKR.

Aetna's possible sale of the business underlines the extent to which the large US multi-line insurers are restructuring through retrenchment and asset sales, as they try to bolster capital and improve profitability.

Aetna, which saw net profits fall from $614m to $505m last year, has been troubled by souring property-related investments. Along with big competitors like Travelers and Cigna, it has pulled out of some unprofitable lines and sold some "non-core" subsidiaries, including a 43 per cent stake in La Estrella de Seguros, the Spanish insurance business, last year.

KKR – known for its $25bn bid for RJR Nabisco – has shown interest in financial services for some time. It gained a toehold in banking when it joined Fleet/Nordstar to buy the failed Bank of New England in a $670m deal last year.

With the decline in leveraged buyouts generally, the company has been stressing more conservatively financed deals recently, and it seems likely that any acquisition of American Re would have a relatively high equity element.

Aetna shares yesterday rose $¾ to $44½.

Allied-Lyons, Whitbread shares fall on warning

By Philip Rawstorne

SHARES in Allied-Lyons and Whitbread, the UK brewers, retreated yesterday after a warning from Sir Gordon Borrie, director general of fair trading, that he may take action against brewers' long-term beer supply agreements with pub retailers.

Sir Gordon said he was concerned that such agreements were emerging as an alternative to the brewers' tied (exclusively supplied) pub estates now being reduced by the government beer orders.

"There are powers available to me both in the Fair Trading Act and in the Competition Act which I will most certainly consider using if I believe that the long-term supply agreement is being used to frustrate the loosening of the tie," he said.

Sir Gordon's remarks seem to be aimed at Allied-Lyons in particular. He has already told the brewer that 734 pubs it has leased to Brent Walker, the leisure group, will not count towards the 2,380 pubs it must release from tied beer supplies unless it alters the terms of its seven-year supply contract.

Allied, which has also leased 142 pubs to Burtonwood, the north-west brewer, has indicated it is prepared to contest the issue in the courts.

Allied's shares closed 12p off at 633p yesterday. Shares in Whitbread, which last week announced it was leasing 60 pubs to Shepherd Neame, the Kent brewer, in the first of an expected series of short-term deals with pub operators, closed 6p lower at 425p.

Sir Gordon said that the creation last year of Inntrepreneur Estates (IEL), the Courage/ Grand Metropolitan pub retailing venture, should not be seen as a precedent in the brewing industry.

Courage's supply agreement with IEL would end in 1995 and the brewer would have to compete for the business afterwards. The deal would also result in 1,000 more pubs being freed from ties than would have been the case if Courage and GrandMet had retained their own estates.

Sir Gordon suggested that the effect of measures to stimulate competition in the brewing industry could not be assessed before they had run their course. "But that is not to say that, in the meantime, the competition authorities should sit on their hands," he said.

Turbulence that had resulted from government action and the response of the brewers was damaging to some interest groups, Sir Gordon acknowledged. However, consumers would gain from increased pressure on brewers and publicans to provide a better mix of price, quality, and amenity.

A model of efficiency in Italy's public sector

Haig Simonian examines the success of Italgas, the state-run gas distribution group

Italy's state-run industrial companies seldom stand out as models of efficiency. Their balance sheets are weighed down by debt and their general performance compromised by political considerations.

Among the exceptions is Italgas, the public-sector gas distribution group, which will soon report a 25 per cent leap in 1991 sales to L3,353bn ($2.721bn) and a 16.6 per cent increase in gross operating earnings to L618bn.

Along with the improvement in earnings, the group's net indebtedness is likely to have dropped to around 32 per cent of turnover from 36 per cent in 1990.

Only a small majority of its shares are actually held by the state. Snam, the gas distribution subsidiary of the Eni state holding group, owns 45 per cent, while another Eni subsidiary has almost 7 per cent.

The influence of the market may be one of the reasons why Italgas has performed so much better than many of its public-sector counterparts. Good management and government policy encouraging the use of natural gas have helped. Net profits in 1990 stood at L73.7bn.

Italgas's roots go back to the 19th century, when Italy's big cities were gradually turning to gas for their lighting and heating needs. But real growth only began after the 1940s, when significant domestic natural gas supplies were found.

The importance of natural gas for energy-dependent Italy surged after the first oil price shock of the early 1970s. That virtually coincided with the building of new pipelines bringing gas from Holland and the Soviet Union.

"Suddenly, greatly increased supplies become available and demand grew very fast," says Mr Carlo Da Molo, Italgas's chairman.

The third boom came almost 10 years later, when a third pipeline gave the Italians direct access to gas from Algeria. "For the first time, we had gas coming from the south as well as the north," he says.

Distributing natural gas to customers in the south provided Italgas with a new motor for growth. "Previously, almost all our activities had been in the north."

The arrival of the new southern supplies coincided with two other decisive events. Government policies introduced after the 1973 oil price shock to stimulate the substitution of natural gas for oil were refined.

Since 1973, the share of oil in the nation's total energy consumption has fallen by 15 per cent, matched by an identical rise in that of natural gas. A further boost came in 1989, when a referendum halted the country's nuclear power programme.

From 250 towns and villages in 1979, Italgas now serves 1,400 communities. Its customers have more than doubled to almost 4.4m, while sales of natural gas have swollen from under 2bn cu m to over 6.4bn today.

The bulk of the growth has come through building new distribution networks in big central and southern cities such as Rome and Naples. Italgas now supplies five of Italy's seven biggest cities.


Carlo Da Molo: sees slower sales growth in mid-1990s

However, Italgas has held back from gobbling up the smaller gas companies which form part of Italy's patchwork of gas distribution. The business is highly fragmented. While Eni's AGIP and Snam subsidiaries look after exploration and wholesale supplies respectively, local and urban sales are divided between Italgas, municipally owned companies and a myriad of private distributors.

Italgas has around a third of the market, against 45 per cent for the municipal companies and 21 per cent for the private sector groups. Although it has bought some smaller suppliers, its growth has been largely organic, explains Mr Da Molo.

"What has happened is that the overall share of natural gas has grown," he says.

The decision to avoid takeovers has been based on both economic and political considerations. Acquisition prices for small private suppliers have risen steadily in line with the growing importance of natural gas. Moreover, potential acquisition targets only tend to become availble after family disputes or the death of a founder. Meanwhile, the big municipally-owned companies have not been for sale.

He believes Italgas has benefitted from not becoming a monopoly. "The plurality of suppliers has furthered the expansion of natural gas," he said. In Italy's complex political scene, it is better to have a policy of "guided alliances" than a monopoly, he reckons.

The impetus for gas usage has also been helped by the fact that the small, privately owned distributors often have considerable local political clout. That has helped to bring about pro-gas policies from the government, which have been passed with relatively little political fuss.

Italgas has not ruled out takeovers, however. It has bought a handful of smaller competitors, notably along the Riviera. However, Mr Da Molo believes demand will continue to grow strongly enough to avoid the need for a change of strategy.

He admits that sales will start to slow from the mid-1990s as the country's natural gas network is largely completed and the most important towns and villages are connected. "There will always be some growth, but it will be much slower," he says.

However, consumption should expand expand through more intensive marketing in towns where natural gas is not yet widely used. Growth in Turin, where around 75 per cent of potential consumers are already connected thanks to the early arrival of natural gas in the 1970s, will be limited. But there is still considerable potential in Rome and Naples, where only about 50 per cent of consumers are so far using natural gas.

Sales should also rise through gaining new markets. The completion of a natural gas pipeline along the Riviera could pull in business from the big horticultural trade in the region. In addition, increasingly strict clean air legislation will force consumers to switch from oil to natural gas in Italy's historic city centres.

Italgas is also diversifying to guarantee its future growth. It has identified water distribution and waste management as logical additions to the existing gas business. The company can use its established contacts with local authorities and play on its expertise in gas distribution, which, like water, involves underground pipework and 24-hour service.

Italgas's Acque Potabili drinking water subsidiary already has 2.5m customers. "The water business will start taking up the slack as the demand for gas slows," says Mr Da Molo. "We have a great future in the next century".

Morgan Crucible boosted by acquisitions

By Richard Gourlay in London

MORGAN Crucible, the specialised UK industrial materials manufacturer, has reported a 3 per cent rise in profits, helped by acquisitions and a lower interest charge.

Mr Bruce Farmer, chief executive, yesterday said that the group's decision to diversify out of the UK in the early 1980s was bearing fruit.

Pre-tax profits in the 53 weeks to January 1992 rose from £59.5m ($104.7m) to £61m on sales up 8 per cent at £627.8m.

Earnings per share fell 16 per cent, from 23.8p to 19.9p, after adjusting for last April's £96m rights issue. The company is to pay a 6.85p final dividend, giving a total of 12.6p, up 5 per cent on the year. Mr Farmer said Morgan Crucible would not be tapping shareholders for further funds until 1994 at the earliest unless something extraordinary happened.

While Morgan is increasingly seen as a company well positioned to take advantage of the emerging economic recovery in its biggest market, the US, the market has not forgotten the £175m the company raised from two rights issues in quick succession.

One benefit of the rights issue last year was that the interest charge fell £2.7m to £10.5m, helping to turn a fall in operating profit into an increase at the pre-tax level.

Following the rights issue, gearing fell at the year-end to 28 per cent, down from 65 per cent. Morgan said it was no hurry to spend the rest of the rights proceeds although it was currently looking at potential acquisitions.

While recession in the UK showed no sign of lifting, Mr Farmer said Morgan's US, Australasian and Asian markets, which account for 69 per cent of sales, were growing.

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Ciba-Geigy sales up 17%

CIBA-GEIGY, the Swiss drugs and chemicals company, lifted first-quarter sales by 17 per cent to SFr5.89bn ($3.92bn) compared with the year-earlier term, Reuter reports from Zurich. All but one of its operating units posted double-digit sales growth.

Last year, the company posted 1991 group net profit of SFr1.28bn, up 24 per cent from 1990, on group sales of SFr21.08bn, a 7 per cent rise.

Three bids received for First Capital

By Nikki Tait in New York

THREE BIDS for First Capital Life Insurance Company, the ailing San Diego-based life insurer, had been received by last week's deadline.

The company was seized by the Californian regulators in May after its parent company went into bankruptcy and a run by policyholders had developed.

The separate proposals came from Transamerica Life. Occidental Insurance Company; Pacific Mutual Life Insurance Company; and from Leucadia National Corporation, the New York-based conglomerate, in conjunction with First Capital's creditors' committee.

The three proposals pose alternatives to a rehabilitation scheme, entailing a $50m capital injection, put forward by Shearson Lehman Brothers, the investment banking subsidiary of American Express.

Shearson was closely involved with First Capital, holding a 28 per cent stake in the parent company, First Capital Holdings, and selling First Capital policies to its own clients. The bidders have until April 17 to revise offers.

Syndicate buys Brazilian rubber group interest

By Bill Hinchberger in Sao Paulo

PETROFLEX, Brazil's state-owned producer of synthetic rubber, was sold for $222m, 21 per cent above the minimum bid, in a privatisation auction in Rio de Janeiro.

A consortium called PIC, which included Unipar, a Rio-based petrochemical holding company and Grupo Suzano, a leading industrial holding group acquired a controlling interest.

Eighty per cent of the shares in the company were auctioned. The remaining 20 per cent will be split equally between offerings to Petroflex employees and a public sale.

Strong gaming results lift Hilton Hotels to $22.2m

By Nikki Tait in New York

A TENTATIVE upturn in the fortunes of the beleaguered US hotel and lodging industry was *evident yesterday when Hilton* Hotels, the California-based chain, announced after-tax profits of $22.2m in the three months to end-March.

This compared with the $12.3m in the same period a year earlier and was scored on total revenues of $276.3m – a 4 per cent improvement over the January-March period in 1991.

Hilton acknowledged that part of the progress had come *from strong results at its Las* Vegas-based gaming operations. Operating profits on the gaming side advanced from $33.7m a year earlier to $40.8m.

The company said the Flamingo Hilton-Reno had realised its first profit for the first quarter, and that a smaller win *percentage at the Las Vegas* Hilton had been more than offset by a lower bad-debt experience and reduced operating expenses.

The group is expanding into riverboat gambling in New Orleans, and has talked of a $2bn gaming centre in Chicago, although this project faces uncertainties.

On the hotels side, Hilton reported operating profits of $13.2m. This is a considerable improvement on the $8.5m figure for the previous year, but results in 1991 were badly hit by the Gulf war, which depressed travel generally.

However, hotel occupancy *rates averaged 62 per cent,* compared with 59 per cent a year ago.

Commenting on the results, Mr Barron Hilton, chairman, said the group was encouraged by improvements in certain markets such as Hawaii and New Orleans, but the continuing recession and an oversup*ply of hotel space were still* hampering progress.

Quebecor Printing raises C$220m with 14m share sale

By Robert Gibbens in Montreal

QUEBECOR Printing, North America's second-biggest commercial *printer, has raised* C$220.5m ($185.2m) by selling 14m shares to a group of underwriters led by RBC Dominion Securities for distribution in Canada, Europe and the US.

Proceeds of the issue, comprising subordinate voting shares at C$15.75 a share, are being used to reduce debt and put the company in a position to seize acquisition opportunities, said Mr Charles Cavell, president.

Analysts believe the company might expand next into Europe.

Quebecor Printing, until now, has been fully owned by *Quebecor, the Montreal-based* publishing and printing group.

It more than doubled in size two years ago by taking over the late Mr Robert Maxwell's Maxwell Graphics in the US for more than C$500m. Later Quebecor bought out the remaining 20 per cent Maxwell minority holding.

As a result of the new issue, Quebecor Printing will be about 20 per cent publicly held on a fully diluted basis.

- Western Canada's family owned Bentall property group has sold a 23.5 per cent equity interest for C$40m to Prudential of America and a British *Columbia government pension* fund.

Direct public participation will follow within the next few years. The Bentall portfolio is valued at C$1.1bn and expansion is planned in British Columbia, Washington State and California.

- Four Seasons Hotels plan to raise C$45m by the sale of 25m shares at C$18.75 each to underwriters. The proceeds are to reduce debt.

Mexico sells stake in Banoro

By Jeanne Grant in Mexico City

THE MEXICAN government has sold just over 66 per cent of Banoro for $366m. This is equivalent to 3.95 times the bank's book value and a little more than eight times last year's earnings.

Banoro is the 15th bank to be privatised in Mexico.

The three remaining government-owned banks that have to be sold by the middle of this year are Banco Internacional, Banco del Centro and Banco del Norte.

The bank was bought by a syndicate of about 600 investors headed by Mr Rodolfo Esquer, Mr Fernando Obregon and Mr Juan Antonio Beltran.

The group comprises the main stockholders and clients of Estrategia Bursatil, one of Mexico's oldest brokerage firms.

According to the finance ministry, the winning group intends to form an integrated financial group based in north-western Mexico, an area *where Banoro has traditionally* operated.

Only two groups bid for Banoro, both of them led by well-known regional businessmen.

The winning group offered almost 20 per cent more that its rival.

The group paid 3,096.08 pesos per share (about $1).

However, this compared with the losing group's offer of 2,587 pesos per share.

Safeway posts $4.9m loss in first quarter

By Nikki Tait in New York

SAFEWAY, the California-based supermarket group which was subject to a $4.2bn *leveraged buy-out in 1986,* yesterday reported an after-tax loss of $4.9m in the first quarter of 1992.

The result underlines the increasingly tough competition being faced by US food retailers.

Safeway's after-tax figure compares with a $26.7m profit in the same period a year earlier.

Sales during the first quarter *shrank slightly, from* $3.4bn a year ago to $3.39bn, and operating profits were down from $122.8m to $102.4m.

Interest expenses fell from $86.5m to $70.3m, leaving a profit before extraordinary items of $22.9m, compared with $26.7m in the same period a year earlier. Safeway then incurred a $27.8m extraordinary item related to the early repayment of debt, creating the *after-tax deficit.*

The company said same-store sales had been slightly higher in the US, but declined 1.2 per cent overall.

It blamed low level of food price inflation and heightened competition in certain markets for the lack of progress. Safeway shares slipped ½ to $14½ in early trading.

Wachovia improves 26% to $106.1m

WACHOVIA, the south-eastern regional US banking group, reported first-quarter net income yesterday of $106.1m, up 26 per cent from the $84.1m earned a year ago, writes Patrick Harverson in New York.

The improvement resulted largely from higher net inter*est income and other service* revenues, coupled with tighter controls on operating expenses.

*The company said total non*performing assets at the end of the first quarter amounted to $306m, up from $271m a year ago.

INTERNATIONAL COMPANIES AND FINANCE

La Générale's net profit falls 38% to BFr7.6bn

By Andrew Hill in Brussels

INDUSTRIAL gloom has again hit Société Générale de Belgique, Belgium's largest holding company, which yesterday announced a 38 per cent drop in net profits for 1991 to BFr7.6bn ($223m) from BFr12.2bn.

But the group said there were "positive signs" of growth in 1992, and plans to maintain its dividend at BFr84 per share as a sign of confidence in the future.

An improved result from the group's service companies – which include banking and insurance subsidiaries – underpinned the 1991 figures. They recorded improved current profits of BFr6.3bn against BFr5.03bn.

But profits at many of La Générale's industrial companies slumped – in particular at Acec-Union Minière, the 76 per cent-owned non-ferrous metals subsidiary, and Gechem, the chemicals subsidiary, both of which made losses. They helped drag down the sector's contribution to just BFr800m from BFr6.57bn.

In 1989, the industrials made BFr15.2bn and the whole company recorded net profits of BFr20.1bn.

The group said it planned to inject BFr3bn of new capital into Gechem, and was looking for industrial partners for Acec-Union Minière, or for any of the group's 12 "business units". Mr Gerard Mestrallet, La Générale's managing director, said the holding company would be prepared to sell some of its stake in Acec Union-Minière, but would retain a majority interest.

The group's current result, before exceptional gains, slipped to BFr4.5bn from BFr6.3bn. Mr Mestrallet pointed out that if Acec Union-Minière were excluded, group profit had actually risen slightly during 1991.

With the industrial economy in the doldrums, La Générale has been hamstrung by its dependence on stakes in cyclical industrial groups, and in recent months its share price has reacted most favourably to rumours that it plans to spin off its zinc, chemicals or cement subsidiaries.

But Mr Mestrallet said yesterday: "La Générale isn't a company which is getting smaller and smaller, and which has to divest companies to keep itself afloat."

He pointed out that the estimated value of the group's holdings had nearly doubled to BFr177bn since the end of 1987 – before Mr Carlo de Benedetti, the Italian entrepreneur, unsuccessfully tried a takeover.

La Générale was rescued from that bid by Compagnie Financière de Suez, which now owns 61 per cent. Suez and Groupe AG, part of the insurance company Fortis, have both agreed to complete the purchase of their shares in La Générale releasing BFr11.3bn of capital.

La Générale also stands to receive a further BFr3.9bn from Accor, the French hotels group, when the Belgian company exercises a put option and sells some of its shares in Wagons-Lits, the Franco-Belgian tourism company. Accor and La Générale mounted an agreed bid for Wagons-Lits last year.

Goodyear expects record sales

By Karen Zagor in New York

GOODYEAR Tire & Rubber, the last of the big US tyremakers, yesterday said it expected to post record first-quarter sales and put forward an accelerated timetable to reduce its debt.

Wall Street responded enthusiastically to the news by marking Goodyear's shares $2¼ higher to a 52-week high of $70¾. The stock has traded in a range of $21 to $69¼ in the past year.

Mr Stanley Gault, who took the helm at Goodyear last year and is widely credited with masterminding the company's improvement, predicted first-quarter sales of about $2.7bn with net income reaching $60m to $65m. This compares with a net loss of $90.1m a year earlier on sales of $2.5bn.

Mr Gault said Goodyear was aiming for a sustainable 10 per cent profit margin, although this was partly dependent on an improvement in the general economy.

"However, the priorities I have outlined for Goodyear are designed to improve the operating performance of the company by managing it to make money and without the benefit of strongly improving economic conditions," Mr Gault said.

Reducing Goodyear's debt, which the company took on in 1986 to thwart a takeover attempt by Anglo-French financier Sir James Goldsmith, is one of Mr Gault's main concerns. At the end of 1991, Goodyear had reduced its debt by $1bn to $2.6bn.

The company expects to have a debt-to-debt-plus-equity ratio of less than 40 per cent this year, falling below 35 per cent in 1993 and below 25 per cent by 1994. At the end of 1990, the ratio was more than 63 per cent, and stood at 49.2 per cent at the end of 1991.

"We expect to obtain in the neighbourhood of $400m to $450m from additional assets sales for further debt reduction," said Mr Gault.

In addition, he said marketing agreements had increased the number of locations selling Goodyear's tyres by 23 per cent in 1991. "A significant part of this new business will be incremental unit growth," he said.

Trygg-Hansa in Gotabanken bid

By Hilary Barnes in Copenhagen

TRYGG-HANSA SPP, the Swedish insurance group, has attempted to crush rumours about the stability of Gotabanken, Sweden's fourth largest commercial bank, by making an offer to buy all the outstanding shares in Gota.

The bid, representing a premium of about 54 per cent over the April 10 market price of Gota's shares, was made after a week in which many small savers in Gota withdrew money from the bank.

Trygg-Hansa's non-cash bid has the support of the Gota board. Trygg-Hansa already owns 43.5 per cent of the shares and 48.3 per cent of the voting rights in Gota.

The Trygg bid is the latest development in Sweden's banking crisis. Last autumn the government was forced to make a large capital injection into Nordbanken, the country's third-largest bank in which the state has a dominant shareholding.

The government also has had to organise a rescue for Fyrstä Sparbanken, the Stockholm regional savings bank.

Gota made a SKr2.13bn ($359m) operating loss in 1991, when loan loss provisions jumped from SKr982m in 1990 to SKr3.7bn last year, equal to about 4.6 per cent of outstanding loans and guarantees.

The bank also had a SKr11bn portfolio of loans which were either non-performing or on which the terms had been modified to lower interest payments.

Trygg-Hansa had earlier promised to subscribe to a new share issue by Gota in order to maintain confidence in the bank. This issue has now been postponed.

Trygg said the merger with Gota will turn Trygg-Hansa SPP into a financial group with a complete range of services in banking and insurance.

The group has premium income of about SKr42bn, including two mutual life assurance companies, Trygg-Hansa Life and SPP.

Hafnia shareholders fight Skandia

By Hilary Barnes

INSTITUTIONAL shareholders in Hafnia Holding, the Danish insurance group, claim to have raised sufficient shareholder support to call an extraordinary shareholders' meeting and to block the proposed takeover of Hafnia by Sweden's Skandia.

Opposition to Skandia has been led by the LD Fund, controlled by the Danish trade unions.

Mr Jeppe Christiansen, the fund's investment manager, said yesterday there was support from large and small shareholders for the extraordinary meeting.

He said such a meeting would be called when shareholders have an alternative solution to the takeover by Skandia.

Skandia agreed to take over Hafnia last Thursday after negotiations with its board. Hafnia has been financially weakened by an attempt, with Norway's UNI Storebrand, to gain control of Skandia. The aim was to set up a Nordic insurance alliance.

Skandia has made its bid conditional on acceptance by 90 per cent of the capital and votes in Hafnia.

Analysts maintain the bid is far too low. Mr Lau Svendsen, from the Copenhagen broking firm Fibroco, said the bid, worth about DKr2.7bn ($429m) at market value, is worth less than the book value of Hafnia Holding's equity, which is about DKr3.1bn.

The bid takes no account of Hafnia's goodwill value or the goodwill write-offs, worth about DKr1.2bn.

A shareholders' revolt can only succeed, said Mr Svendsen, if they can find an alternative solution to Hafnia Holding's problems. This means they must find a way of selling Hafnia's 14.8 per cent stake in Skandia and its 33.7 per cent stake in its domestic rival Baltica.

The stake in Baltica has created speculation that the outcome of the Hafnia shareholders' action could be a merger between Hafnia and Baltica, a solution which was discussed two years ago but fell through.

Primerica lifts earnings to $153.9m

By Patrick Harverson in New York

RECORD earnings from its Smith Barney securities broking subsidiary helped Primerica, the US financial services group, yesterday report a 45 per cent increase in first-quarter operating profits to $153.9m.

Total income for the period, however, was $220.8m, because the group reaped $66.9m in net gains from the sale of stock in Inter-Regional Financial, Musicland and Margaretten, the group's former mortgage banking subsidiary sold in a public offering in January.

Smith Barney was again the star performer in the Primerica stable, riding another buoyant quarter for Wall Street and domestic stock markets to record profits of $56.1m, almost double the $29.3m the broking house earned a year earlier.

Revenues were up from all of Smith Barney's main business lines, a reflection of strong market participation by individual as well as institutional investors, extremely high levels of new issue offerings and a solid increase in assets under management.

Only principal trading, where revenues rose just 5 per cent, failed to match the record pace set by the rest of the company.

USX may sell shares in Delhi Group

By Karen Zagor

USX, the US steel and energy group, yesterday said it might sell shares in its Delhi Group, including the Delhi gas pipeline and other related companies, as part of its efforts to realise shareholder value.

The Pittsburgh, Pennsylvania-based company said it would propose issuing a new class of common stock, called USX-Delhi Group, at its annual shareholders meeting on May 4. The Delhi Group, currently part of USX's Marathon gas operations, had sales of $442m, operating income of $33m and assets of $598m in 1991.

The new stock offering is just one of several options being considered by USX. The company may also sell assets or create a master limited partnership, which would not require shareholder approval.

This latest effort to realise additional value for the Marathon Group follows USX's novel stock split last year when the company bowed to pressure from Mr Carl Icahn, the New York financier, and agreed to issue a new class of stock.

The 'Hoover' prepares to clean up O&Y

Nikki Tait profiles the new head of the troubled property developer

Mr Gerald (Jerry) Greenwald – who was last night named by Olympia & York, the Canadian property group, as its president and deputy chief executive – was once nicknamed "the Hoover" because of his ability to absorb vast quantities of information. At the rate Mr Greenwald has been travelling recently, this can only be an asset.

Until mid-1990, Mr Greenwald seemed to have a clear, and fairly well-defined, future. The Princeton economics graduate, who had spent the first 22 years of his business career with Ford, was widely accepted to be Mr Lee Iacocca's successor as chairman of Chrysler. He already held the position of vice-chairman, and had been working at Chrysler, the smallest of the three Detroit carmakers, since the early 1980s.

But in June 1990, Mr Greenwald, then 54, switched course. He opted instead to head a union-led buyout attempt at UAL, the parent company of United Airlines. Had the deal ever come to fruition, Mr Greenwald would have run the large but somewhat unsettled airline, replacing its chairman, Mr Stephen Wolf.

It was a move which caused comment at the time, and observers were quick to suggest motives. For a start, the financial terms of the deal must have looked attractive. Mr Greenwald received a $5m bonus when he left Chrysler, and was guaranteed another $4m if the UAL deal collapsed.

That is exactly what happened only months later, largely because of mounting difficulties in securing bank financing for leveraged transactions. The deal's demise left former colleagues at Chrysler to talk about "Jerry's $9m summer job".

But kinder commentators also suggested that the uncertainties over Chrysler's own future as an independent company may have influenced Mr Greenwald's decision to depart. And they noted that the vice-chairman, although credited with negotiating Chrysler's bailout plan, had stood in Mr Lee Iacocca's formidable shadow for many years, and may have found the limelight attractive. "One doesn't last long with Iacocca, taking a different position from his," one Chrysler employee commented later.

At any rate, Mr Greenwald's next move was to Dillon Read, the Wall Street investment bank, as a managing director. There, he oversaw the bank's buyout funds and, appropriately enough, "was involved in the firm's efforts to provide financial assistance and advice to troubled companies." He resigned last week.

According to Lee Iacocca, who wrote glowingly of Mr Greenwald in his autobiography, he is also "an entrepreneur who can analyse a problem and then move on to solve it". That is a quality which will be much-tested in the months ahead.

Alcan slides into the red

DEPRESSED prices for ingot and fabricated products pushed Alcan Aluminium into a loss for the first quarter to end-March, writes Robert Gibbens.

The first-quarter loss was US$13m, or 8 cents a share, against a loss of US$1m, or 3 cents, a year earlier.

Sales and operating revenues were down 6 per cent to US$1.84bn. Ingot tonnage shipments were up, but fabricated shipments slipped.

Average price realised on primary ingot was down 22 per cent from a year earlier. Prices in the first two months this year were at record low levels after inflation. Company inventories were unchanged.

● Celanese Canada, controlled by Hoechst of Germany, earned C$8.2m (US$6.9m), or 58 cents a share, in the first quarter, against C$9.4m, or 67 cents a year earlier.

Sales were C$95m against C$104m.

INTERNATIONAL COMPANIES & CAPITAL MARKETS

Aiwa takes stake in US electronics group

By Steven Butler in Tokyo

AIWA, the Japanese consumer electronics company, is expanding its involvement in industrial electronics by taking a $5m, 26 per cent equity stake in Core International, the US maker of computer peripherals equipment.

Aiwa said the investment was aimed at deepening co-operation. Aiwa supplies computer data cartridges for Core on an original equipment manufacturer basis. The deal repeats a familiar pattern in which Japanese companies acquire stakes in US software companies to try to supplement Japanese strengths in manufacturing and marketing.

Tokai Bank expects to meet BIS rules

By Emiko Terazono in Tokyo

TOKAI Bank, a leading Japanese bank, said it expects to clear the capital to asset ratio required under Bank for International Settlements rules, as of the end of the business year ended March.

Mr Kiichiro Ito, president of Tokai, said the bank's capital asset ratio had fallen to an estimated 8.2 per cent, down from 8.34 per cent last September, due to the weakness of the Tokyo stock market.

Japanese banks are required to raise their capital asset ratios to 8 per cent by the end of the year to March 1993.

Moves at HK broker

CHINTUNG, the Hong Kong stockbroking arm of Standard Chartered, has appointed Mr Raymond Theodoulou as managing director. He was formerly managing director of United IBV.

Mr Edward Yuen was appointed a director of the corporate sales unit of Chintung. He was formerly an investment manager at Crocodile Garments (Canada).

Building a presence in Germany

Andrew Baxter on the push by Korean construction equipment groups

Korean construction equipment makers are mounting a belated push into the German market to ensure they do not miss the remaining opportunities from reunification.

Two of the big three Korean producers, Samsung Heavy Industries and Hyundai Construction Equipment, are negotiating with German entrepreneurs to set up dealer networks. Germany accounts for about 37 per cent of the European construction equipment market.

The Korean producers have been reluctant to enter the German market because of the strength – and number – of domestic manufacturers, and the fear that German customers would be reluctant to accept their products.

The moves by the two companies will be viewed with some unease by western producers.

After the inroads made by the Japanese companies into the European market in the 1980s, the activities of the Koreans could further intensify competition in Europe.

Daewoo has been producing excavators at a factory near Mons in Belgium since late 1990, establishing, like the Japanese, a manufacturing presence ahead of the European single market reforms.

Mr Sang-Kyu Kim, Euro Daewoo's director of planning and international sourcing, said the product range at the Mons factory would be steadily increased from the current two models to five by the end of 1993.

Samsung entered the European market only three years ago, 13 years after Daewoo, and sold just 100 crawler excavators last year.

This year, however, the company hopes to raise sales to 280. Mr Ki-Jeh Cho, head of overseas marketing at Samsung's construction equipment division, said manufacturing in Europe would be viable once sales reached about 500 units.

A special team in Korea is studying whether Samsung should manufacture in Europe through a joint venture, by acquisition, or by building a greenfield site.

Mr Cho expects a decision next year with production beginning, perhaps, in 1994.

The third big Korean producer, Hyundai Construction Equipment, began selling in Europe in early 1990.

However, it has also been looking for manufacturing sites, and has come close to a decision at least once.

The German initiatives by Samsung and Daewoo reflect a growing confidence that their machines will be accepted there, having been proven elsewhere in Europe.

The Korean producers have been reluctant to enter the German market because of the strength – and number – of domestic manufacturers

Hyundai is taking a more cautious approach, selling small numbers of machines in Germany via its Belgian dealer.

The Koreans recognise they need to respond to reunification and its implications for Germany's relative position in the European market.

The UK has long been Daewoo's biggest European market, but has been badly hit by recession.

Korean construction equipment technology is often underestimated by western rivals, and the three producers' overseas expansion – like that of the Japanese before them – has been underpinned by their stranglehold on a strong domestic market.

Some observers, however, criticise them for being slow to take decisions, especially on overseas manufacturing.

The assault on Germany may already have missed the best of the growth in the market since reunification.

Daewoo is looking to establish dealer networks in Germany and Italy, and has had proposals from some manufacturers for product exchange deals.

Samsung is talking with many prospective dealers in Germany, and also to importers. Mr Cho said deals were imminent.

Historically, Daewoo and Samsung have tended to sell machines in Europe at 5 to 10 per cent below prices for western and Japanese equipment, in an attempt to establish a presence.

Now, said Mr Cho, prices relative to Japanese machines are being raised, a further sign of the Koreans' increasing confidence.

BHP wins final go-ahead to buy NZ Steel

By Terry Hall in Wellington

NEW Zealand Steel, a company set up with government backing in the 1960s to give the country independence from British and Australian suppliers, was yesterday sold to one of its greatest rivals, Australia's BHP.

New Zealand's Overseas Investments Commission became the final statutory authority to agree to the sale. Earlier approvals came from the New Zealand Commerce Commission and the Australian Trade Practices Commission.

NZ Steel was established to take advantage of the country's ironsand and coal deposits. It was set up according to the then government's policies of saving overseas exchange, import substitution and creating employment.

New Zealand became the world leader in developing high technology to convert ironsand to steel, and, helped by tariff barriers, the company became highly profitable. In 1981 the National Party government under Sir Robert Muldoon made steel production a "Think Big" job creation project, and invested around NZ$2.5bn (US$1.36bn) to enlarge the plant and make it a power in the Pacific region.

However in 1984 the reformist Labour government earmarked the plant for early sale, did away with all tax and import protection, and injected NZ$1.5bn to make it saleable. After a number of bids, it was finally sold to Equiticorp in 1987.

Equiticorp promptly fell into financial difficulties which it blamed on problems at NZ Steel and its merchant banking operations in Britain.

In 1989, NZ Steel passed into the effective control of its greatest Pacific rival, BHP, a company which had fought ruthlessly to stop it becoming established.

However statutory requirements prohibited BHP from owning more than 31 per cent of the ordinary shares. This requirement was lifted yesterday.

The two New Zealand-based shareholders in NZ Steel, Fisher & Paykel and Steel & Tube – which is 49 per cent controlled by BHP – yesterday confirmed they would sell their respective 50 per cent holdings of ordinary shares to BHP. They had earlier sold their preference shareholdings.

However, ANZ Banking Group, which has the remaining 19 per cent of NZ Steel, said it may continue as a minority shareholder.

Mr Jeff Pitt, spokesman, said the bank was looking closely at the investment.

Both Fisher & Paykel, a founder of the company, and Steel & Tube said they did not wish to invest more money at this stage.

BHP paid NZ$13.8m for the ordinary shares and a further NZ$73.7m for the non-voting ordinary shares.

BHP intends to invest substantially in the plant, which is meeting all performance standards and achieving record production.

However the deep recession in New Zealand is forcing it to export around 70 per cent of its production to Australia and Asia.

HK Stock Exchange to vote on rule changes

By Simon Holberton in Hong Kong

THE Hong Kong Stock Exchange has called an extraordinary general meeting of its members on May 6 to vote on a proposed capital reduction and change to its rules.

The meeting is a milestone in the reform of the exchange and follows an agreement reached by the exchange with the Securities and Futures Commission, the colony's financial markets watchdog, late last year over the governance of the stock market.

Members of the exchange will be asked to approve a capital reduction whereby 943 shares in the exchange worth HK$100,000 (US$12,930) each will be reduced to HK$1 and the remaining HK$99,999 remitted to shareholders.

Members will also be asked to approve the reintroduction of "block voting". A member who votes in elections for the stock exchange council must cast all the votes to which he is entitled if his vote is to be regarded as valid.

Exchange members will also be asked to vote their assent to a High Court ruling of last October which found that several general meetings of the exchange were invalidly called.

Coles Myer NZ float 'successful'

COLES Myer, the Australian retailer, yesterday said the NZ$200m flotation of its New Zealand supermarket chain Progressive Enterprises had been oversubscribed, Reuter reports from Sydney.

Mr Solomon Lew, chairman, said the float of 60 per cent of Progressive was "highly successful" and that Coles would issue additional shares to fill all public applications.

Based on the offer price of NZ$2, Progressive Enterprises will have a market capitalisation of NZ$332m, making it the 14th ranking company on the New Zealand Stock Exchange.

NOTICE OF EARLY REDEMPTION

Den Danske Bank

Yen 3,000,000,000

7.4% Variable Redemption Amount Bonds due 1994 (Tranche A)

Yen 2,500,000,000

6.5% Variable Redemption Amount Bonds due 1994 (Tranche B)

In accordance with clause 6(e) and 18 of the Terms & Conditions of the Bonds, notice is hereby given that all the outstanding Bonds will be redeemed at their principal amount on the next interest payment date falling on 26th May, 1992.

Payment of the principal amount of the Bonds will be made upon presentation of the Bonds with Coupon No.5 due 26th May, 1993 and following attached at the offices of either of the following Paying Agents:

Principal Paying Agent: Banque Paribas Luxembourg, 10A Boulevard Royal, L-2093 Luxembourg

Paying Agent: Morgan Guaranty Trust Company of New York, 35 Avenue des Arts, B-1040 Brussels

On behalf of the issuer

Banque Paribas Luxembourg

Société Anonyme

GPA Investments B.V.

US$ 30,000,000

Guaranteed Floating Rate Notes due 1995

Guaranteed by

GPA Group plc

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from April 10, 1992 to October 13, 1992 the Notes will carry an interest rate of 4.7625 % per annum.

The interest amount payable on the relevant interest payment date, October 13, 1992, will be US$ 2,460 63 per US$ 100,000 denomination.

The Agent Bank

Kredietbank Luxembourg

NOTICE

to the Holders of

LECHTERS, INC.

U.S.$65,000,000

5% Convertible Subordinated Debentures Due September 27, 2001

NOTICE IS HEREBY GIVEN that, pursuant to Section 1205 of the Indenture, dated as of September 27, 1991 (the "Indenture"), between Lechters, Inc. (the "Company") and Chemical Bank, as Trustee, in accordance with Section 1204, the adjusted Conversion Rate to become effective as of April 6, 1992, the business day following the record date of the stock split for the Company's Common Stock (April 3, 1992), is 32.79 shares of Common Stock for each U.S.$1,000 principal amount at Stated Maturity of Securities. Terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Dated April 14th, 1992

LECHTERS, INC.

By: Bank of Montreal, London as Principal Paying Agent

MNC Financial, Inc.

(formerly Equitable Bancorporation Overseas Finance N.V.)

U.S. $50,000,000

Guaranteed Senior Floating Rate Notes due 1994

For the three month period 13th April, 1992 to 13th July, 1992 the Notes will carry an interest rate of 5¼% per annum with a coupon amount of U.S. $132.71 per U.S. $10,000 Note, payable on 13th July, 1992.

Bankers Trust Company, London — Agent Bank

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday, April 13, 1992. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	99.25	56.344	34.048	42.279
Albania	(Lek)	88.00	49.9574	30.1886	37.4866
Algeria	(Dinar)	38.72	21.9812	13.283	16.4941
Andorra	(Fr Fr)	9.8675	5.6017	3.385	4.2034
	(Sp Peseta)	181.90	103.264	62.4013	77.4866
Angola	(Kwanza)	312.95	177.661	107.358	133.312
Antigua	(E Carr $)	4.7520	2.6977	1.6301	2.0242
Argentina	(Peso)	1.7468	0.9916	0.5992	0.7441
Aruba	(Florin)	3.1505	1.7885	1.0807	1.342
Australia	(Aus $)	2.3070	1.3096	0.7914	0.9827
Austria	(Schilling)	20.435	11.6009	7.0102	8.705
Azores	(Port Escudo)	249.90	141.868	85.7289	106.454
Bahamas	(Bahama $)	1.7615	1	0.6042	0.7503
Bahrain	(Dinar)	0.6647	0.3773	0.228	0.2831
Balearic Is	(Sp Peseta)	181.90	103.264	62.4013	77.4866
Bangladesh	(Taka)	65.00	36.9003	22.2984	27.689
Barbados	(Barb $)	3.54	2.0096	1.2144	1.5079
Belgium	(Belg Fr)	59.95	34.0334	20.566	25.5378
Belize	(B $)	3.52	1.9982	1.2075	1.4994
Benin	(CFA Fr)	493.375	280.088	169.254	210.17
Bermuda	(Bermudian $)	1.7615	1	0.6042	0.7503
Bhutan	(Ngultrum)	50.70	28.7822	17.3927	21.5974
Bolivia	(Boliviano)	6.6968	3.8017	2.2973	2.8527
Botswana	(Pula)	3.8015	2.1581	1.3041	1.6193
Brazil	(Cruzeiro)	3796.10	2155.04	1302.26	1617.08
Brunei	(Brunei $)	2.9215	1.6585	1.0022	1.2445
Bulgaria	(Lev)	32.24	18.3025	11.06	13.7337
Burkino Faso	(CFA Fr)	493.375	280.088	169.254	210.17
Burma	(Kyat)	10.9542	6.2186	3.7578	4.6663
Burundi	(Burundi Fr)	345.65	196.225	118.576	147.242
Cambodia	(Riel)	1232.00	699.404	422.642	524.814
Cameroon	(CFA Fr)	493.375	280.088	169.254	210.17
Canada	(Canadian $)	2.0935	1.1884	0.7181	0.8917
Canary Is	(Sp Peseta)	181.90	103.264	62.4013	77.4866
Cp. Verde	(CV Escudo)	121.05	68.7198	41.5265	51.5654
Cayman Is	(CI $)	1.4610	0.8294	0.5012	0.6223
Cent.Afr. Rep	(CFA Fr)	493.375	280.088	169.254	210.17
Chad	(CFA Fr)	493.375	280.088	169.254	210.17
Chile	(Chilean Peso)	610.70	346.693	209.503	260.149
China	(Renminbi Yuan)	9.6995	5.5063	3.3274	4.1318
Colombia	(Col Peso)	1098.20	623.446	376.741	467.817
Comoros	(CFA Fr)	493.375	280.088	169.254	210.17
Congo (Brazz)	(CFA Fr)	493.375	280.088	169.254	210.17
Costa Rica	(Colon)	234.50	133.125	80.4459	99.8935
Côte d'Ivoire	(CFA Fr)	493.375	280.088	169.254	210.17
Cuba	(Cuban Peso)	1.3330	0.7567	0.4572	0.5678
Cyprus	(Cyprus £)	0.8118	0.4608	0.2784	0.3458
Czechoslovakia	(Koruna)	51.24c	29.0888	17.578	21.8274
		49.41t	28.0499	16.9502	21.0479
Denmark	(Danish Kroner)	11.2650	6.3951	3.8644	4.7987
Djibouti Rep	(Djib Fr)	308.00	174.851	105.66	131.203
Dominica	(E Carrib $)	4.7520	2.6977	1.6301	2.0242
Dominican Rep	(D Peso)	22.4050	12.7192	7.6861	9.5441
Ecuador	(Sucre)	2370.60o	1345.78	813.242	1009.84
		2398.95a	1361.88	822.967	1021.92
Egypt	(Egyptian £)	5.8657	3.3299	2.0122	2.4987
El Salvador	(Colon)	14.1265	8.0195	4.8461	6.0176
Equat'l Guinea	(CFA Fr)	493.375	280.088	169.254	210.17
Ethiopia	(Ethiopian Birr)	3.6120	2.0505	1.2391	1.5386
Falkland Is	(Falk £)	1.00	0.5676	0.343	0.4259
Faroe Is	(Danish Kroner)	11.2650	6.3951	3.8644	4.7987
Fiji Is	(Fiji $)	2.6355	1.4961	0.9041	1.1226
Finland	(Markka)	7.9160	4.4938	2.7156	3.372
France	(Fr)	9.8675	5.6017	3.385	4.2034
Fr. Cty/Africa	(CFA Fr)	493.375	280.088	169.254	210.17
Fr. Guiana	(Local Fr)	9.8675	5.6017	3.385	4.2034
Fr. Pacific Is	(CFP Fr)	174.00	98.7794	59.6912	74.1214
Gabon	(CFA Fr)	493.375	280.088	169.254	210.17
Gambia	(Dalasi)	[illegible]	[illegible]	[illegible]	[illegible]
Germany	(D-Mark)	2.9150	1.6548	1	1.2417
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Special Drawing Rights April 10, 1992 United Kingdom £0.778817 United States $1.38022 Germany D Mark 2.24272 Japan Yen182.396. European Currency Unit Rates April 13, 1992 United Kingdom £0.704677 United States $1.24602 Germany D Mark 2.04688 Japan Yen165.109.

Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 071 634 4360/5. Monday, April 13, 1992

NOTICE OF EARLY REDEMPTION

The Goodyear Tire & Rubber Company

¥10,000,000,000

6 5/8% Yen Bonds Due 1996

Notice is hereby given that, pursuant to the Terms and Conditions of the above-mentioned Bonds (the "Bonds"), The Goodyear Tire & Rubber Company has elected to redeem all of the outstanding Bonds on May 22, 1992 at the redemption price of 100.75 percent of the principal amount thereof plus accrued interest thereon from February 14, 1992 to such date in the amount of ¥18,035 per Bond.

The redemption price together with accrued interest as aforesaid will be paid upon presentation and surrender of the Bonds at the office of the Fiscal Agent or any Paying Agent specified below. Payments will be made by cheque drawn on, or, at the holder's option, by transfer to a Yen account maintained by the Payee with, a Bank in Tokyo. No payment will be made to an address in the United States or by transfer to an account maintained by the Payee in the United States.

Bonds presented for payment should be accompanied by all unmatured Coupons appertaining thereto. The face value of any missing unmatured Coupon will be deducted from the sum due for payment. The face amount of any such missing Coupon will be paid against surrender of such missing Coupon within three years from the date on which such Coupon by its terms became due.

Interest payments due on or prior to February 14, 1992 are payable upon presentation of relative Coupons in the manner provided above.

Interest shall cease to accrue on the Bonds on and after May 22, 1992

By: *THE YASUDA TRUST AND BANKING COMPANY, LIMITED*
Fiscal Agent and Principal Paying Agent

April 14, 1992

FISCAL AND PRINCIPAL PAYING AGENT

The Yasuda Trust & Banking Company, Limited
2-1, Yaesu 1-chome
Chuo-Ku, Tokyo 103

PAYING AGENTS

Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, L-2955 - Luxembourg

Morgan Guaranty Trust Company of New York, 60 Victoria Embankment, London EC4Y 0JP

Bank of Tokyo (Deutschland) AG, Wiesenhuttenstrasse 10, 6000 Frankfurt am Main 1

The Yasuda Trust and Banking Company, Limited, 1 Liverpool Street, London EC2M 7NH

The Bank of Tokyo, Ltd, Avenue des Arts 58, B-1040 Brussels

Bank of Tokyo (Schweiz) AG, Bahnofplatz 1, 8023 Zurich

The Bank of Tokyo, Ltd., 4-8 rue Sainte - Anne, 75001 Paris

INTERNATIONAL CAPITAL MARKETS

Investors push gilts toward German yields

By Richard Waters and Simon London in London and Patrick Harverson in New York

CASH continued to flow into the UK government bond market, extending the euphoria of last week's general election result and pushing sterling bond yields closer to their German counterparts than at any time since last summer.

With 10-year gilts gaining around half a point, the market continued to shrug off the threat of substantial new issuance of bonds. However, many observers expect this to return to the top of investors' agenda once the post-election rush is over.

Apart from the net £28bn needed this year to fund the UK's public sector borrowing requirement, there is also the danger of further issuance if, as widely feared, the true borrowing requirement was understated for political purposes in the run-up to the election.

The Bank of England took a step further towards hitting its funding targets with the issue of an £800m tranche of gilts. The 10 per cent stock due 2003 – which followed two other £800m tranches issued in at the end of last week – was reported to have sold out quickly.

Market estimates put the Bank's total gilt sales – both official and unofficial – at anything from £3.5bn to £5.5bn since early election results began to suggest the return of majority Conservative government.

Yesterday, longer-dated bonds advanced strongly, while shorter-dated paper was held back by a belief that interest rates are unlikely to be cut immediately. The benchmark 9¾ per cent bonds due 2002, which opened at 103½, advanced to 104⅛ in late afternoon trading, a yield of 9.12 per cent.

Converted to an annual yield – a comparable basis to German government bonds – that is equivalent to 9.33 per cent, or around 145 basis points higher than bunds. Analysts expect any further narrowing of the yield spread to be slow.

According to Mr Philip Tyson, an analyst with UBS Phillips & Drew: "It's going to have trouble coming in much more than that in the near term. We are targetting 120 basis points for the year end."

Gilt futures, which opened at 98.25, rose a point before falling in later profit-taking to close to their opening, with a heavy 97,000 contracts traded.

■ CONCERN about political upheaval in Russia, where the government of Boris Yeltsin has submitted its resignation, boosted US Treasuries.

In late trading, the benchmark 30-year government issue was up ¼ at 101½, yielding 7.854 per cent. Prices were even firmer at the short end of the market, with the two-year note up ⅛ at 101⅛ and the yield down to 5.088 per cent.

In early trading, the market benefited from a "flight to quality" by investors, spurred by worries that uncertainty in Russia would spill over into world financial markets. Investors traditionally favour US government bonds during times of political turmoil, and shorter-dated securities usually benefit more because they are regarded as safer and more liquid financial assets.

The short end of the market

GOVERNMENT BONDS

was also buoyed by talk that the Federal Reserve was buying in securities ranging from three-month bills to two-year notes. Although there was no confirmation of the talk, analysts suggested the Fed was probably buying the securities for a customer, usually a foreign central bank or big international institution such as the World Bank.

The Fed stayed out of the credit markets, with Fed funds trading at 3⅝ per cent. Some observers said the Fed's willingness to refrain from intervening at that rate suggested its new target for Fed funds might be 3½ per cent, and not 3¾ per cent as originally thought on Thursday when the Fed eased monetary policy.

■ GERMAN government bond prices softened, with the uncertain underlying tone of the market compounded by events in Russia.

The June bund futures contract on Liffe, the London futures exchange, opened at 8.26 but fell to a low of 88.00 and proved unable to sustain a recovery. The contract closed at 88.04, with volume at 48,500 contracts.

In the cash market, the benchmark 8 per cent unity bond maturing 2002 closed at 100.60, from 100.80 at the close on Friday, for a yield of 7.90 per cent. The announcement from Russia reminded bund market participants that the economic and political problems of eastern Europe could still spill over into Germany.

Recently, the market has been focused on the economic prospects within Germany.

A positive note was sounded by a report from five German economic research institutes which suggested economic growth of around 1 per cent in western Germany this year, down from 3.1 per cent in 1991. A slower rate of growth could lead to lower inflation expectations and an easing of monetary conditions in the second half of the year.

A strike of public sector workers is likely if talks between employers and unions fail to reach an agreement over pay. Employers have offered a five per cent increase. The unions are claiming a settlement in line with the average for private sector pay deals, currently around 6 per cent.

Traders said the government's determination to impose a lower wage settlement could contribute to lower inflation and interest rates later in the year.

■ JAPANESE government bond prices fell sharply overnight in Tokyo, despite intervention by the authorities to prevent further downward pressure.

The Ministry of Finance offered to buy up to Y50bn each of the benchmark government bond issues Nos 129, 121 and 122 – funding the purchases from a sinking fund. The action supported bond prices for a short time, but selling pressure returned to drive prices lower.

The benchmark issue No 129 closed the Tokyo day on a yield of 5.495 per cent, up from 5.445 per cent on Friday. The June bond futures contract closed at 101.61, down 0.28 of a point on the day. Volume was 35,290 contracts.

Analysts said the bond market remained cautious about the outlook for inflation as the government looks to support both the slowing economy and sliding stock market through fiscal expansion.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	101.5590	+0.326	9.76	9.75	10.04
BELGIUM		9.000	08/01	101.5600	-	8.74	8.78	8.72
CANADA *		8.500	04/02	98.9800	-0.0508	8.66	8.77	9.16
DENMARK		9.000	11/00	101.0000	-0.120	8.81	8.83	8.68
FRANCE	BTAN	8.500	03/97	98.8663	-0.077	8.78	8.85	8.61
	OAT	8.500	11/02	98.9000	-0.080	8.65	8.63	8.58
GERMANY		8.000	01/02	100.6700	-0.200	7.89	7.93	7.94
ITALY		12.000	02/02	98.2700	+0.240	12.30†	12.38	12.15
JAPAN	No 119	4.800	06/99	94.7822	-0.263	5.83	5.86	5.60
	No 129	6.400	03/00	105.0597	-0.030	5.49	5.58	5.43
NETHERLANDS		8.250	02/02	99.8600	-0.080	8.26	8.31	8.28
SPAIN		11.300	01/02	102.8800	+0.150	10.81	10.93	10.82
UK GILTS		10.000	11/96	102-07	+5/32	9.39	10.32	9.94
		9.750	08/02	103-30	+11/32	9.15	9.98	9.77
		9.000	10/08	99-26	+7/32	9.02	9.71	9.54
US TREASURY *		7.500	11/01	101-08	+9/32	7.31	7.39	7.67
		8.000	11/21	101-18	+11/32	7.86	7.88	8.07

London closing, *New York close. Yields: Local market standard
† Gross (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

Morgan Grenfell to set up unit in Milan

By Haig Simonian in Milan

MORGAN Grenfell, the UK merchant bank controlled by Deutsche Bank, is stepping up its continental European activities with a new operation in Milan. It will complement existing offices in London, Frankfurt, Paris and Madrid.

The new unit, to be headed by Mr Dante Razzano, formerly head of Citibank's Italian corporate finance unit, will concentrate on mergers and acquisitions. It is expected to co-operate closely with Deutsche Bank and Banca d'America e d'Italia, the German bank's big Italian subsidiary.

The arrival of Morgan Grenfell represents a further increase in the UK merchant banking presence in Milan, following the establishment of offices by Warburg, Rothschild, Schroder and Baring in the past three years.

Like its counterparts, Morgan Grenfell expects growing mergers and acquisitions business in Italy, particularly cross-border deals. It may also hope to win business from the country's so far cautious privatisation programme.

Mr Guy Dawson, Morgan Grenfell's head of corporate finance, said Italy represented an area of "considerable opportunity" for M&A. "We have now plugged a final and very important gap."

The departure of Mr Razzano and three other executives will mark a blow to Citibank, which, following retrenchment elsewhere, had concentrated its M&A activities in Milan, along with much smaller operations in Germany and France.

Those operations, and the remaining members of its Milan-based M&A team, are now expected to be integrated more closely into its advisory and financing activities.

Morgan Grenfell, which had a 5 per cent stake in Sviluppo, a Milanese merchant bank, already has a small Italian office, specialising in trade finance. That will now be expanded to accommodate the new team.

Tokyo SE decline puts pressure on Eurobond dealing

By Richard Waters

EUROPEAN bond markets would be among the most seriously hit if the collapse in Tokyo equity prices halts the flow of Japanese investment into overseas financial markets.

Traders already report net selling of UK government bonds by Japanese investors, taking advantage of the rally which followed the general election last week. Views are mixed, though, on whether this will turn into sustained selling.

Whereas Japanese investors directed much of their cash during the 1980s into US government bonds, the past two years has seen a shift in emphasis, with European markets benefiting far more from the Japanese capital surplus.

US dollar bonds still account for the bulk of Japanese investors' overseas financial assets: roughly $400bn, according to Mr Mark Cliffe of Nomura Research Institute in London. However, net new investment overseas is increasingly being diverted elsewhere.

The chart records a fall-off in net new US bond investment from the peak of 1989, and a simultaneous growth in European investment. The quarterly figures for 1991 – shown on an annual basis – exaggerate the fall in the US, since they reflect in part a seasonal investment pattern. However, the shift in favour of European bond markets is clear.

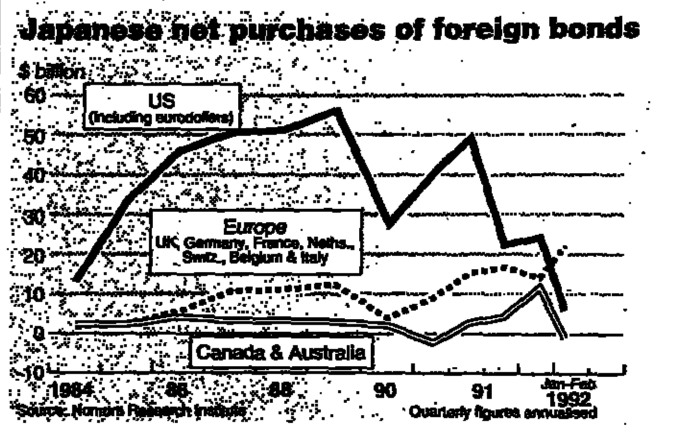
The trend is even more exaggerated if Eurodollar investments are excluded. According to figures produced by the Japanese Securities Dealers Association, Eurobond investments – mainly in Eurodollar instruments – last year totalled $32bn. Leaving these aside, the Japanese made roughly the same net investment in UK and US bonds, of $13bn each.

The extent of Japanese repatriation of capital has been modest so far, most traders say. Japanese banks and life assurance companies find themselves in very different positions.

- For banks, with a pressing need to shrink balance sheets, selling foreign bond holdings appears attractive. However, as Mr Cliffe of NRI points out, such holdings are among the highest-yielding assets the banks hold. The pressure to improve margins means they would be loathe to sell.
- Although insurance companies may not be directly hit by the Tokyo stock market collapse, as providers of subordinated loans they have in the past provided one of the props to banks in times of capital need. If life companies are still willing and able to provide subordinated debt to banks – and if they choose to finance it through the sale of foreign investments rather than depressed Japanese ones – overseas selling could follow.

Whether or not the Japanese sell bonds, they are unlikely to buy so many new ones in the months ahead. The gilts market could suffer more than most.

Japanese net purchases of foreign bonds



Borrowers take advantage of demand for sterling issues

By Tracy Corrigan

TWO more borrowers took advantage of strong demand for sterling bonds, in the wake of last week's UK election victory by the ruling Conservative party, to add tranches to existing bond issues.

The Woolwich Building Society and Hypobank, the German bank, each raised £50m of 10-year and five-year bonds respectively. On Friday, two UK companies, BAA and Cable & Wireless, launched a total of £200m of bonds.

The Woolwich issue consists of subordinated bonds, which qualify as Tier 2 capital under Basle capital adequacy guidelines. The bonds, priced to yield 145 basis points more than the 10-year gilt, met demand mainly from UK institutions which liked the relatively high yield and are allowed to hold subordinated paper. A number of UK companies are eyeing the market.

INTERNATIONAL BONDS

However, many corporate treasurers are hesitating because they expect UK interest rates to be cut soon. For many of them, funding levels of under 10 per cent are a likely trigger point. Most companies are not in urgent need of funds, since investment is running at a low level, but there is a continuing trend of refinancing bank debt.

Activity is likely to be concentrated among UK companies which need to raise sterling. Overseas borrowers are likely to be able to fund more cheaply elsewhere, since sterling swap rates are not looking attractive.

Yield spreads of Eurosterling bonds relative to the gilts market have remained stable, in spite of a five-point rally in the gilts market last week. Eurobond prices normally lag movements in the government bond market, causing spreads to widen when the government bond market rallies.

Dealers said there was virtually no Eurosterling paper around, since the primary market had been very quiet in the run-up to the election. The heavy fresh supply of gilts has not yet dinted demand for sterling paper, dealers said.

Elsewhere, Ferrovie, the Italian railway, raised L700bn of 10-year floating-rate notes.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on April 13

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	70	0	9
Other Fixed Interest	14	3	0
Commercial, Industrial	497	204	762
Financial & Property	222	121	449
Oil & Gas	28	15	45
Plantations	0	0	9
Mines	36	23	88
Others	84	14	47
Totals	951	380	1,409

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

LONDON TRADED OPTIONS

[illegible]

Option								Option							
Brit Aero (*339)	300	45	58	65	4	10	18	Eurotunnel (*391)	390	33	45	65	23	43	40
	330	23	34	45	12	20	25		420	20	36	51	50	54	58
	360	8½	21	31	30	35	45								

Euro FT-SE Calls 1,995 Puts 464
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months. Premiums shown are based on middle prices.

TRADITIONAL OPTIONS

- First Dealings April 13
- Last Dealings May 1
- Last Declarations July 23
- For settlement Aug. 3

3-month call rate indications are shown on this page.

Calls in Amstrad, AMEC, ASDA, Astec (BSR), Aviva Pet., Bridon, British Land, Costain, B. Elliott, Farringford, GRE, Kunick, Next, Owners Abroad, Pittencrieff, P & P, Premier Cons., Psion, Redland, Stakis, Tarmac, Taylor Woodrow, Tie Rack, Trafalgar House, Trimoco and Wilshaw. Put in AMEC.

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p	Charter Cons.	37	Ladbroke	17	Sears	8	■ OILS	
Allied-Lyons	49	Comm Union	32	Legal & Gen	27	SmKl Bchm A	65	Aviva Pet	30
Amstrad	5½	Courtaulds	39	Lex Service	16	TI	48	BP	21
Astec (BSR)	3	Eurotunnel	34	Lloyds Bank	29	TSB	9½	Burmah Castrol	38
BAT Inds	50	FKI	5½	Lonrho	15	Tesco	19	Conroy Pet	8
BOC	49	FNFC	8	Lucas Inds	10½	Thorn EMI	58	Gaelic Res	½
BTR	32	Forte	18	Marks Spencer	24	T & N	11½	Premier Cons	2½
Barclays	30	GKN	26	Midland Bank	19	Unilever	70	Shell	33
Blue Circle	20	Gen Accident	31	NatWest Bank	23	Vickers	12	Tuskar Res	½
Boots	33	GEC	15	P & O Dfd	30	Wellcome	72	■ MINES	
Bowater	56	Glaxo	59	Racal Elect	6	■ PROPERTY		RTZ	42
Brit Aerospace	30	Grand Met	70	RHM	16	Brit Land	18		
British Steel	6	GRE	10	Rank Org	52	Land Sec.	32		
Brit Telecom	24	Hanson	16	Ratners	3	MEPC	26		
Cadburys	33	ICI	90	Reed Intl	39	Mountleigh	1½		

Mowlem plunges to £3m and sheds property side

By Angus Foster

JOHN MOWLEM, the UK construction group, yesterday continued the trend of disappointing results from the sector and announced a sharp fall in profits mainly due to poor figures from its scaffolding subsidiary SGB.

Mowlem also announced more than £20m of extraordinary and exceptional provisions to cover its withdrawal from commercial property development and the termination of two housing joint ventures, although it will continue its wholly owned housing business John Mowlem Homes.

The company reported a pretax profits fall from £34m to £3m in the year to December 31. This follows a more than 50 per cent fall at the interim stage, when no provisions were made, from £18m to £7m.

But Sir Philip Beck, chairman, hoped for improved performances this year from housing and tool hire. "We're encouraged by the election and hope the housing market will now begin to grow and lead to a recovery for the whole construction industry," he said.

Mowlem is recommending cutting its total dividend to 10.5p (21p), which is uncovered, after a final dividend of 4.85p (15.35p). Analysts expected a heftier dividend cut and the shares gained 13p to 148p on the news.

Turnover fell to £1.39bn (£1.52bn) due to lower sales


Sir Philip Beck: hoping for an improved performance

from contracting and scaffolding. Operating profits fell to £13.8m (£41.6m) after accounting for redundancy and restructuring costs of £5.2m.

Hardest hit was scaffolding, where operating profits dropped to £8.8m (£37.7m) due to volume and margin pressure. Staff numbers have been reduced by 25 per cent, taking about £8m out of overheads, and further reductions are planned if volumes continue to fall.

Contracting increased operating profits to £8.6m (£5.9m). There would have been no increase without £3m of bad debt charges in 1990. The division's order book has continued to decline, to £700m from about £1.1bn two years ago.

Sir Philip remained optimistic for London City Airport, in which Mowlem holds a 90 per cent stake, despite uncertainty about the extension of the Jubilee Line following property developer Olympia & York's debt refinancing talks.

Housebuilding was affected by recession throughout the sector and average prices fell from £86,000 to £72,000. Nevertheless, the company maintained sales of 400 units and the division returned to a profit of £1.6m (loss £2.4m).

Net interest payable fell sharply to £3.8m (£8.2m). Interest receivable increased to £12.7m, helped by the proceeds of last year's £46m rights issue.

Mowlem made exceptional provisions for losses of £7.2m, of which £3m related to the termination of the joint venture property developments. There was also a £2m deficit in the accounts of a French subsidiary, which the company will seek to recover, and £2.2m of previously concealed prior year losses. Mowlem refused to comment further, saying the matter is sub judice.

The company is making an extraordinary provision, less taxation, of £13.3m to cover the withdrawal from commercial property. There was a loss per ordinary share of 2.2p (earnings 23.7p).

Losses attributable to shareholders totalled £15.5m (£15.4m profit) and, combined with the interest bill, a £26.6m transfer from reserves was needed.

See Lex

Burger King distribution services sold for $100m

By Philip Rawstorne

BURGER KING, the Grand Metropolitan fast food subsidiary, is selling its in-house distribution business to the Canadian-based ONEX Corporation for an estimated $100m (£58.1m).

Burger King Distribution Services distributes food and paper products to all the Burger King restaurants in the US and is one of 17 approved distributors for the worldwide business.

Mr Barry Gibbons, Burger King's chief executive, said the BKDS sale was another step in Burger King's strategy of focusing on building the global Burger King brand. It follows the appointment last week of Restaurant Services (RSI), a joint venture with US franchisees, as sole purchasing agency in the US.

BKDS employs 1,500 people and operates 21 distribution centres throughout the US.

Mr Gerald Schwartz, president and chief operating officer of ONEX, said: "We see significant North American and international growth opportunities with Burger King".

Babcock settles litigation

Babcock International has agreed terms for the settlement of the long running litigation commenced against its subsidiary, Babcock International Holdings, by the receiver of IBH Holding, a German company in bankruptcy. BIH will make a cash payment of DM40m (£14m) to IBH together with certain costs. Total due under the settlement is not expected to exceed £14.3m. The group balance sheet includes a provision of £19.2m in respect of the liability relating to litigation.

In addition, as a consequence of the settlement, BIH will be entitled to file a claim of DM40m in the bankruptcy of IBH. Its receiver has indicated that this may give rise to an unsecured dividend of some 15 per cent of the value of the claim.

Banks persuaded not to drop Aitch

Richard Gourlay on stitching together a clothing company's rescue

THE LADIES at Aitch Holding's shirt factory in Lurgen, Northern Ireland, hardly ever seem to pause for breath.

Fleet of finger at the best of times – they are paid on a piece work basis – they are also acutely aware that Coats Viyella, a much larger competitor, has cut 900 jobs in Northern Ireland in the year, 566 of them last week.

Lurgen's ladies would not, however, be working today were it not for the many hundreds of hours put in by Aitch's bankers and its new management, dedicated to putting together a rescue plan, as well as the intervention of a government department and the Bank of England.

The Aitch rescue, which its shareholders were yesterday asked to approve along with a name change to Dunkeld Group, may not rank in size alongside the refinancings of Brent Walker or News International. But it is an example of banks, faced with huge losses, taking the responsible route of allowing management to work out a bad loan, thereby saving jobs, rather than putting the company in the hands of receivers.

But it was a close decision. Hill Samuel, Aitch's bankers had begun to put in the receivers last September, ending a sad and expensive episode for Mr Harry Rogers, its founder. Following the reversal of Mr Rogers' private clothes company into the quoted Munton group in 1988, Aitch was producing in Northern Ireland and London, it had sales offices in Belgium and a buying office in the Far East.

It was also losing unknown amounts of money in Northern Ireland, and from a raft of smaller companies in a wide range of garment related businesses.

The concentration by the Northern Ireland operation on short production runs of branded shirts, including the Ben Sherman, Pierre Balmain, Tern and Panache labels, meant costs were excessively high by comparison with manufacturers in the Far East. Combined with operational problems at the contract shirts operations in Northern Ireland, the company was heading for the rocks.

By early last year, it was clear that losses in these areas were not going to be offset by the profitable Neal & Cooper and Gottfried & Paul ladies leisurewear businesses and that ordinary trading would not reduce debts. Hill Samuel, owed £9.5m, and FennoScandia, owed £2.5m, were getting nervous.

'The rescue may not rank alongside the refinancings of Brent Walker or News International, but it is an example of banks, faced with huge losses, taking the responsible route, allowing management to work out a bad loan, saving jobs, rather than putting the company in the hands of receivers'

Just how badly the company had fallen was demonstrated in February when it reported losses after tax and extraordinary items of £18.73m in the year to November 1991, taking the company far into negative shareholders' funds territory . At its peak in 1989, Aitch had commanded a market capitalisation of only £13m.

With this track record, it took escapology worthy of Harry Houdini for Aitch to unwind Hill Samuel's decision to send in the receivers.

Over one stress-filled night, Mr Michael Green, a corporate doctor and entrepreneur appointed by the board to sort out the problems in Northern Ireland, and Mr Jon Sachs, a director of the Bank of Ireland, managed to amass enough of an argument to convince Hill Samuel to hold off the receivers for two weeks until the new management team had put together a recovery plan.

Mr Sachs says the subsequent efforts to get the restructuring to stand up was something of an "Indian rope trick". It rested partly on the argument that the banks simply should not be walking away from 700 group jobs without fully investigating whether there was an alternative.

This was one of a number of less than conventional interventions in the ensuing months, not the least of which was the role the Bank of England played in acting as a mediator between Hill Samuel and FennoScandia.

Equally important was the role of the Industrial Development Board of Northern Ireland. Mr Green's proposed restructuring, the Province's development bank argued, would not only secure jobs but would lead to a group that could be viable.

The IDB, which has recently become much more hard nosed about backing viable concerns and not just large employers, took the important step of backing the restructuring with £500,000 of new capital.

But Aitch's stay of execution had as much to do with the fact that it was entering a trading period during which it would be pulling in more cash than it would spend, making the banks no worse off for not pulling the plug immediately.

This breathing space allowed Mr Green to pull together the business plan. From the beginning he argued that Aitch was never going to trade its way out of trouble and would need to build a few of its better businesses for sale. In addition the banks would have to grant management three years grace to do this.

Mr Green convinced the banks this was the right way forward. Following many more hours of "last minute hitches", Hill Samuel and FennoScandia have taken a 9.9 per cent stake, while the new management has nearly 17 per cent.

As the group emerges from the restructuring, Mr Green says profitability of all four of Aitch's labels will rise and that unprofitable businesses have been sold.

Northern Ireland now fulfils almost nothing but contract orders of shirts, the branded business is almost solely supplied from imports.

There remains, however, the matter of a £8.2m deficit on shareholders' funds as of last November, after taking into account sales of businesses and the conversion of bank debt in to equity.

To climb out from under this weight and return to the dividend list, Aitch will almost certainly have to build one of its remaining businesses and then sell it. Only then can its employees in Lurgen be certain they will not go the way of the employees at Coats Viyella.

Morgan Crucible pins its hopes on the US

By Richard Gourlay

MORGAN CRUCIBLE, the industrial materials maker that yesterday reported profits up 3 per cent last year, is in an enviable position as the US begins to edge out of recession.

With 45 per cent of its profits deriving from North America, the company is confident it can ride the economic recovery that should be emerging by the time President Bush seeks re-election later this year.

While continental Europe is a possible problem area, with recession at least a possibility, Morgan should enjoy the benefits of its decision 10 years ago to reduce its reliance on the UK and to spread into world markets.

Shareholders would be forgiven, however, for wondering if Morgan might not spring yet another rights issue for more acquisitions. Last April's £96m rights issue was dropped on a market still digesting a £79m call some 10 months earlier.

While Morgan has not lost its appetite to acquire, it still has about half the latest rights proceeds on deposit and Mr Bruce Farmer, chief executive, has said that unless something extraordinary happens, shareholders will not be tapped again this year or in 1993.

Morgan is therefore left to enjoy, not only the interest on their pile but the fruits of its four US acquisitions last year, all of which look as though they will immediately enhance earnings.

In the absence of a faltering in US growth – an occurrence Mr Bush will do his darndest to avoid – Morgan should make pre-tax profits of £71m this year, giving earnings of 22p which put the shares on an undemanding prospective multiple of 13.

Touche Ross issues unmuddied facts about Muddy Fox owners

Touche Ross yesterday clarified the identity of the two new owners of Muddy Fox, the privately-owned UK mountain bike company which came out of administrative receivership earlier this month.

The UK accountant said it had been advised that the actual co-owners of Muddy Fox are – as originally stated – Sitac, a UK-based engineering and property group, and Parry Murray, and not TI Cycles of India as announced on April 5.

Touche said Muruguppa Group of India had interests in both Tube Investments of India (of which TI Cycles is part) and Parry Murray.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Allied Ldn Props ......int	1.075	July 1	1.075	-	3.52
Dinkie Heel ....fin	0.6	July 1	0.6	0.95	0.95
Frost Group ....fin	2	July 3	-	2	-
Guernseygas ....fin	1.6‡	-	1.35	2.5	2.25
Morgan Crucible .....fin	6.85	July 1	6.75	12.6†	12.4
Mowlem (John) ....fin	4.85	July 7	15.35	10.5†	21
Roskel ....fin	3	June 5	3	4.3	4.3
Vivat Holdings ....fin	nil	-	0.5	nil	0.5

Dividends shown pence per share net except where otherwise stated.
†On increased capital. §USM stock. ‡Paid gross.

COMPANY NEWS: UK

Irish milkmen discover talent for butchery

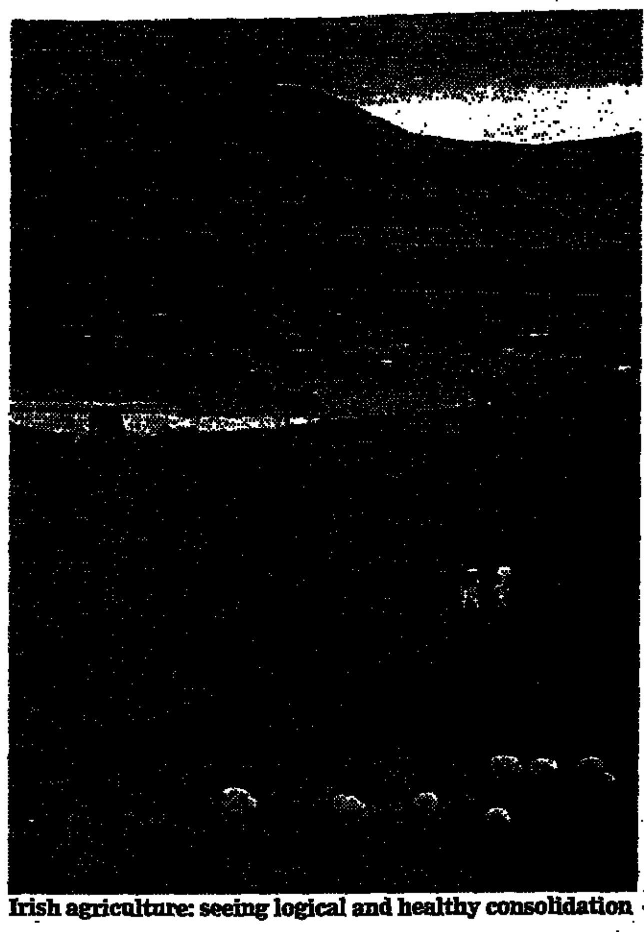
Tim Coone analyses the shifts of alignment shaking up the Republic's food industry

CONVENTIONAL wisdom says: "One man's meat is another man's poison." Some 10 years ago, this was true of the Irish food sector, where meat and dairy processing have traditionally been two distinct and separate industries. Each has evolved isolated from the other.

However last week's acquisition by Avonmore Foods, the Irish dairy group, of Barretts & Baird, the UK meat processing group, reflects the steady transformation taking place in the Irish food industry and the gradual abandonment of old corporate prejudices.

The I£1.2bn (£1.1bn) Irish milk processing industry, once highly fragmented and characterised by a proliferation of small farmers' co-operatives, has in the past decade become concentrated through mergers and acquisitions. It is now dominated by five companies, four of them quoted on the Dublin Stock Exchange.

Their growing financial muscle and management expertise, has converted them into an emerging force in the European market. The recognition of the need for diversification out of their home markets and into new and complementary product lines has given them a voracious appetite for acquisition both at home and abroad.



Irish agriculture: seeing logical and healthy consolidation

Last month, the collapse of United Meat Packers (UMP), the Republic's second largest meat processor, presented them with an important opportunity. That company is now in receivership, and tenders closed last Friday for the purchase of its six plants in Ireland. Mr John Donnelly, the receiver, says that more than two dozen tenders have been received, four times the number he had expected. Several of the dairy processors are believed to have made bids.

The I£1bn beef industry is undergoing what is probably its biggest shake-up since Ireland joined the EC in 1973 when the Common Agricultural Policy's intervention payments system (a price-supported, guaranteed market) became the engine for the sector's growth. What began as a mechanism to mop up surpluses though, became the central pillar of support for the industry, and eventually its greatest weakness.

EC beef intervention stocks reached a record high of 800,000 tonnes in 1991, 342,000 tonnes coming from Ireland. More than three quarters of Irish beef steers are now being sold into intervention. The Irish Livestock & Meat Board says cattle slaughterings at export plants reached 1.5m head in 1991, an all-time high.

Two companies had come to dominate the Irish meat-processing industry – Goodman International and UMP. Both are privately run, and both have developed a reputation of intense secrecy over their management and operations. The lack of public scrutiny of their finances caused the big Irish banks and institutional investors to steer clear of any deep involvement. "The Irish banks have skilfully tiptoed around the meat processing industry," says one market analyst. Foreign banks are the principal creditors to the industry.

With the help of foreign credit and government export guarantee insurance, the two companies developed important markets in the Middle East in the 1980s.

However, these collapsed with the Gulf war and the scare over bovine spongiform encephalopathy or "mad cow disease". Thrown back onto intervention buying, where profit margins are very tight at around 2 per cent, the big beef processors faced a squeeze. Voracious users of working capital and burdened with heavy interest charges for capital investment in plant, the strains soon began to show.

In August 1990, a High Court examiner was appointed to Mr Larry Goodman's Goodman International, Europe's largest meat processor, when it transpired that the company could not meet payments on more than I£650m owed to its creditor banks. Agreed debt restructuring is now underway, but the company's future remains in doubt, not least because of a litany of alleged fraud and malpractice at Goodman plants. This is now the focus of a lengthy and expensive investigation by a High Court-appointed Beef Tribunal.

Together with the placing of UMP into receivership, this signifies that 60 per cent of Ireland's beef and meat processing capacity faces a possible carve-up.

In stark contrast to the private Goodman and UMP, the publicly-quoted Kerry Group last month reported a 25 per cent rise in profits and a 30 per cent increase in turnover, largely on the back of a diversification from its dairy interests into meat processing. Acquiring plants in the UK, US and Ireland, together with distribution networks through supermarket chains, Kerry has led the restructuring of Ireland's food processing industry. Some 50 per cent of its turnover now comes from meat processing. The other major dairy processors, such as Avonmore and Waterford Foods, are following suit.

Public companies such as these, with a strong track record and solid support from institutional investors, should have little problem in raising cash from the equity market to dominate eventually the meat processing industry.

For some time Dublin stockbrokers have been singing the praises of Ireland's largest food companies, pointing to their good value and low price/earnings ratios, and their diversification into the US and European markets.

One potential obstacle to their long-term growth though, is their hybrid co-operative/plc structure. Their parent co-operatives, made up of milk producers, hold the majority stake in each company and their articles of association currently prevent that stake from falling below 50 per cent.

The psychological barrier for these co-operatives, to cede control to institutional shareholders in the interest of longer-term diversification and expansion, will be a difficult one to break.

Analysts believe that Kerry is the first likely to do so, as the parent co-operative stake is now only 57 per cent following a recent rights issue. Once that barrier is broken, it will mark a watershed in the Irish food industry, paving the way for others to follow and for the Irish companies to become important players in the European food market.

What has been made clear by the UMP and Goodman crises, is that Ireland's beef industry has been long due for change, and that as a stand-alone industry, dependent upon intervention and concentrated in the hands of highly geared, privately run companies, it is not viable.

The diversifying dairy companies, with their strong retail outlets and access to the equity market, have pointed the way forward and are likely to be the ones who will now carve the beef industry into more competitive units with a stronger institutional base.

Such consolidation will be both logical and healthy for Ireland's agriculture and food industry, which exports I£3.5bn of products annually, or 21 per cent of the total.

NEWS DIGEST

Allied London tops £2.6m

A 19 per cent increase in rental income from £7.28m to £8.65m helped Allied London Properties, developer and housebuilder, turn in a £2.62m pre-tax profit for the half year ended December 31.

This compared to a £5.35m loss last time, resulting from an £8m exceptional provision for the reduction in value of housebuilding land and work in progress. The group has now further reduced its housebuilding operations and has no property developments in progress.

Earnings per share came out at 1.7p against losses of 9.4p last time, and the interim dividend is maintained at 1.075p.

£6.5m wind farm venture planned

Manweb has formed a joint venture with South Western Electricity and Renewable Energy Resources to develop a £6.5m wind farm in Cornwall.

The new venture, called Wind Resources, will develop a 15 wind turbine project at Carland Cross.

The wind farm is scheduled to come on stream in November this year, feeding enough electricity to power 4,500 homes into the local distribution network.

Dinkie Heel strides out in second half

Trading at Dinkie Heel – which makes shoe heels, toecaps and Stick-a-Soles – improved in the second half to leave an 11 per cent overall drop in pre-tax profit to £259,000 for 1991.

The figure was struck after exceptional costs of £51,000 relating to the sale of theloss-making Enterprise Group wholesale business, and interest paid of £107,000 (£128,000).

Profit was almost halved in the opening period but Mr David Parkes, chairman, said the improvement in orders and profits noted in his interim statement was sustained, and margins increased.

Turnover fell to £7.29m (£7.93m) mainly because of the Enterprise disposal.

Earnings per share in 1991 came to 1.82p (1.6p) after substantially reduced tax provision. The final dividend is maintained at 0.6p for a same-again total of 0.95p.

Hemingway begins to make gains

In 1991, a year of transition, Hemingway Properties incurred a pre-tax loss of £2.62m, compared with £6.92m. The interim loss was £2.1m.

Last August the company, formerly Marylebone Estates, was the subject of a reverse takeover. It recapitalised through a rights issue, and introduced new management and policies.

While the results were "far from irrelevant", said Mr Leonard Phillips, chairman, he believed they did not provide an accurate indication of future performance.

Rental income rose 19 per cent to £3.69m.

The loss was struck after £725,000 reorganisation costs (£4.38m exceptionals). Losses per share worked through at 6.02p (32.93p).

Net asset value per share had fallen from the pro-forma 37.8p to 31.4p, because of the revenue deficit and reduction in value of certain London properties.

Roskel declines 28% to £1.57m

Roskel, the suspended ceilings and partitions group, which moved to a full listing last summer, made pre-tax profits of £1.57m for the year to end-December.

Although that was a decline of 28 per cent on the previous year's £2.18m, the directors said the figures were helped by a significant second-half improvement.

Turnover slipped to £43.79m (£46.22m). Pre-tax profits were struck after taking account of a £150,000 rise in bad debts, provisions and related costs to £930,000 and interest charges of £586,000 (£862,000).

Earnings emerged at 7.22p (9.4p). A final dividend of 3p makes a same-again 4.3p.

Willis Corroon buys US reinsurer

Willis Corroon, insurance and reinsurance broker, is extending its operations in the US with the acquisition of Reinsurance Activities, a re-insurance intermediary specialising in life, accident and health treaty insurance.

Consideration is the issue of 5.98m shares, which will be represented by 1.19m American Depositary Shares. On the date of the agreement the ordinary shares were quoted at 253p and the ADSs at $22.50.

Guernseygas Group rises £1m to £4.2m

Guernseygas Group, which includes Guernsey Gas Light Company and has core businesses in property, motor vehicles, energy and fuel, lifted pre-tax profits by £1m from £3.2m to £4.2m in the year to December 31.

The company said that its activities "all came good at the same time".

Turnover advanced to a record £103m (£99m). During the year Guernseygas sub-divided its shares from £1 to 10p, and the group achieved a 42 per cent rise in earnings per share from an adjusted 4.3p to 6.1p. A final dividend of 1.6p gross has been proposed for a total of 2.5p (2.25p).

Trencherwood seeks borrowing change

Trencherwood, the USM-quoted housebuilder which is in refinancing talks with its bankers, yesterday warned that the results for the year to end-October would reveal a level of adjusted share capital and reserves substantially worse than that reflected in the 1990 accounts.

The reduction is a result of write-downs arising from a revaluation of the group's properties and developments, which are still subject to audit.

Under the terms of the company's articles of association, the permitted level of group borrowings is restricted to a multiple of four times the adjusted capital and reserves.

The company is seeking shareholder sanction, in advance of the audit, to relax this borrowing limit to permit borrowings up to the limit of £86.85m, at which they currently stand.

French take stake in Martin Dawes

France Telecom is buying a stake in Martin Dawes Communications, the UK private mobile communications group, for an undisclosed sum.

Under the deal FT subsidiary EGT will take a substantial minority stake in Martin Dawes Communications Holdings. This owns 80 per cent of Martin Dawes Communications UK, a cellular service provider with turnover of £70m and 80,000 customers. Vodafone, the cellular network operator, owns the balance.

EGT is also taking a 51 per cent stake in Martin Dawes Communications Europe. This provides mobile communications products in France and Italy, and is starting a business in Germany.

BOARD MEETINGS

TODAY

Interims- Sage, Scottish Metropolitan Property, Shani.

Finals- Alexandra Workwear, Beckenham, Boot (Henry), Erith, FR, Farnell Electronics, Hammerson Property, Herring Baker Harris, Jove Inv. Trust, Metsec, RMC, Taylor Woodrow.

FUTURE DATES

Interims-	
Lyles (S)	Apr. 27
Eurocopy	Jun. 2
Keystone Investment	Apr. 21
Royal Bank of Scotland	May 6
Finals-	
Airbreak Leisure	Apr. 15
Beattie (James)	May 5
British Airways	Apr. 22
CI	Apr. 30
Capital Inds.	Apr. 22
Clayton, Son	Apr. 24
Densitron Intl.	Apr. 22
EIS	Apr. 21
Etam	Apr. 23
Exmoor Dual Inv. Tst.	Apr. 22
Friendly Hotels	Apr. 16
Golden Vale	Apr. 15
Haden MacLellan	Apr. 15
How	Apr. 27
Huntleigh Technology	Apr 23
Int'l. Business Comms.	Apr. 23
Moss Bros	Apr. 22
Quicks	Apr 16
Reed Executive	Apr. 24
River & Merc. Geared	Apr. 16
Ross	Apr. 22
Smith (James) Ests.	Apr. 27
Venturi Inv. Tst.	Apr. 21
Wace	Apr. 22
Walker Greenbank	Apr. 24

Powell Duffryn to sell shipping arm

By Andrew Bolger

POWELL DUFFRYN, the distribution, storage and engineering group, has sold a 60 per cent stake in its Stephenson Clarke subsidiary, one of the most famous names in the British shipping industry.

In a deal which values the fleet at £19m, Powell Duffryn has sold the stake to unidentified private clients of Hambros Bank, which financed the purchase.

Powell Duffryn has received a total of £16.6m in cash, comprising £5.9m for the shares and £10.7m repayment of intercompany debt. It has also been released from external obligations of £1.2m.

The buyers will eventually acquire the remaining 40 per cent of Stephenson Clarke when Powell Duffryn has received a maximum of £6m from its share of the shipping company's profits.

Powell Duffryn will remain in shipping services, but this deal is the latest in a series of disposals and acquisitions which has seen it increasingly focus on engineering activities.

Last week the group completed the sale of its remaining foundry interests – Powell Duffryn Castings and Hamworthy Precision Machining – to European Automotive Components for £4.8m in cash.

In October the group received £30m from the dissolution of its quarrying and brickmaking joint venture with Hanson, the UK conglomerate.

Mr Bill Andrews, chief executive of Powell Duffryn, said these cash inflows would help reduce group gearing from a percentage in the low 40s at its half-year at the end of September to about the low 20s.

On the engineering side, Mr Andrews said he intended to both invest and consider further acquisitions in combustion technology, railway bogies and marine products such as pumps and compressors.

He wished to concentrate on businesses where the group had at least a European position, and preferably could become world players.

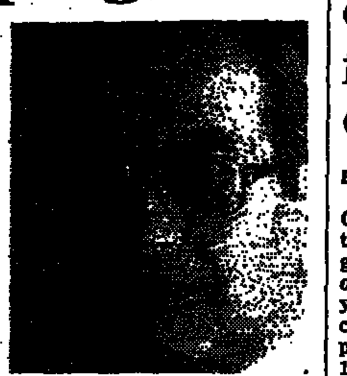
Last May Powell Duffryn bought the combustion operations of Dresser Holmes from Dresser Industries of Dallas for £5m, and last month it paid £4.5m for another combustion technology company, Peabody Engineering of Connecticut.

Powell Duffryn has also recently invested £13.7m in the consortium it leads which in December successfully bid £180m for control of the Tees and Hartlepool Port Authority, the first major trust port to be privatised.

In spite of this continuing restructuring, Mr Andrews said Powell Duffryn was happy to stick with its fuel distribution and storage businesses, which last year produced the bulk of the group's trading profits.

The Stephenson Clarke management team in Newcastle will continue to operate the fleet under the non-executive chairmanship of Mr Geoffrey Walker, the managing director of Powell Duffryn Shipping, which continues to own Cory Brothers and the group's other shipping services interests.

Stephenson Clarke made pretax profits of £1.4m in the year to March 31 and its fleet had a net book value of £22.4m.



Bill Andrews: cash inflows would help reduce gearing

GWR coal offshoots file for Chapter 11

By Peggy Hollinger

GREAT WESTERN Resources, the beleaguered oil and gas group in litigation with its once-largest coal customer, yesterday announced that its coal subsidiaries had filed for protection under the Chapter 11 of the US bankruptcy code.

The application will allow GWR to shift the jurisdiction on its legal battle from South Carolina, where it is in dispute with South Carolina Public Services Authority, the state public utility, to its home state of Texas.

Mr Howard Wolf, chairman of GWR, said the decision to file for Chapter 11 would speed up the outcome of a battle which has already lasted 18 months.

SCPSA, commonly known as Santee Cooper, disputes the validity of contracts with Great Western's coal companies, and is claiming $60m (£35m) in damages. It has already had $33m in coal payments to GWR attached by South Carolina courts.

Under US law, the Houston bankruptcy courts will now take over the legal proceedings, and decide whether the $60m claim is appropriate.

Mr Wolf said a ruling on the amount of the Santee Cooper claim was expected "within months ... We will use the amount that the bankruptcy court assigns as a key element of our reorganisation plans".

Mr Wolf said the company had not made contingency plans in case the ruling was in favour of Santee Cooper's $60m claim. "It is like planning for the planet Earth to be struck by a meteorite," he said. "It is so unlikely to come to pass that we haven't devoted any significant time to deal with it."

The company expected to present the court with its reorganisation schedule for the coal companies within the next 60 to 90 days.

Mr Wolf said the decision to move the subsidiary into Chapter 11 had been taken after extensive consultation with the parent company's creditors who are owed a total of about $70m.

Poor buying behind Vivat fall to 'unacceptable' £0.68m loss

By Roland Rudd

MR CHRISTOPHER Burnett, the new chairman of Vivat Holdings, yesterday rebuked the previous management's "poor buying decisions" and its diversification from the core business.

These, he said, were responsible for turning a pre-tax profit into a loss, which translated into losses after tax and extraordinary items of £12.5m.

For the year to December 31 the Lee Cooper Jeans manufacturer, 29.9 per cent owned by Wing Tai, the Singapore clothing company, reported a pretax loss of £678,000 (profit £3.65m). This was struck on turnover 14 per cent down at £89.1m (£103.7m).

Mr Burnett, who took over in October, described the results as "unacceptable" and said it was a "sad reflection" on the way the group had been managed.

However, he added that the current first-half trading had so far been encouraging, although it was too early to say whether the group would move back into the black.

The exceptional item of £559,000 related to the relocation of the group's headquarters from Paris, where the chief executive and finance director had been based, to London.

A further £11.9m was taken as an extraordinary item. This related mainly to lease obligations to Grant Seward, Vivat's former retail subsidiary sold in 1988 to Chelsea Man which subsequently went into liquidation.

The extraordinary item was swollen by the writing-off of two years' payments from sale and lease-backs of trade marks; bank borrowings to Otto Albert, its German subsidiary which was put into receivership, and losses arising from the disposal of a small Spanish subsidiary.

This reduced shareholders' funds by £12.5m to £15.1m, increasing gearing to 73 per cent.

Net borrowings were £11m at the end of the year.

Losses per share emerged at 1.2p (earnings 8.3p). The final dividend has been passed (0.5p), leaving no payment for the year (0.5p).

Macmillan seeks freeze on Berlitz shares

By Raymond Hughes, Law Courts Correspondent

A HOLDING OF 56 per cent in Berlitz, the language school, was transferred by Macmillan, the publisher, to Bishopsgate Investment Trust, a private company in the Maxwell group, on November 5 1990, exactly 12 months before the death of Mr Robert Maxwell, the High Court was told yesterday.

Mr David Oliver QC, for Macmillan, the main publishing subsidiary of Maxwell Communication Corporation, said the transfer had been instigated by Mr Robert Maxwell and Mr Kevin Maxwell. Mr David Shaffer, a Macmillan director and appointee to the Berlitz board, was also shown as having been present at the meeting "but denies ever having been there", Mr Oliver said.

Macmillan is asking the court to grant injunctions preventing four banks, which hold 9.6m of the 10.6m shares involved, dealing with them pending full trial in the autumn of a dispute over their ownership. The banks had taken them as collateral for loans to Maxwell entities.

Mr Justice Hoffmann refused a plea by Mr Oliver for Macmillan's opposed application to be heard in private.

Mr Oliver said that only the "legal estate", not the beneficial interest, in the holding had been transferred to BIT, which had been purely a nominee. Between March 11 and October 15 last year BIT had transferred 9.6m shares into the name of Cede, nominee for the Depository Trust Company.

The remaining 1m shares had been comprised in two certificates. BIT held one and had "all but acknowledged they are ours," Mr Oliver said. The other certificate had been transferred by BIT to Credit Suisse on September 27 1991.

Mr Oliver said that of the shares transferred to Cede 1.9m had since been registered in the name of Shearson Lehman Brothers Holdings, Swiss Volksbank held 2.4m, Credit Suisse 2m and Morgan Stanley Trust Company 3.3m.

Mr Oliver said that Morgan Stanley itself made no claim to the shares. It believed it might be holding some for Bishopsgate Investment Management, which managed certain Maxwell company pension funds. BIM had failed to claim the shares, although it had refused to acknowledge it had no claim, he said.

The hearing continues today.

The Maxwell name lives on in satellite television

By Raymond Snoddy

THE Robert Maxwell name lives on in the satellite television business thanks to France Telecom, the French telecommunications company.

Although not noticed by many people at the time, France Cables & Radio, a subsidiary of France Telecom, two months ago bought out Maxwell Communication Corporation's 50 per cent stake in Maxwell Satellite Communications.

The London-based company was set up to compete in the market for everything from professional services for broadcasters to business television and data transmission.

Following its creator's death the company's name has been telescoped to Maxat – in what looked like an attempt to disguise its origins.

"My son is called Max. That's another reason for keeping the name," said Mr Julian Costley, managing director of Maxat, hopefully.

Maxat yesterday became the first outside company to move into the spare space at the new London headquarters of Independent Television News.

The company has installed what it calls central London's first teleport – two steerable six metre transmit and receive antennas and associated equipment.

"We are offering broadcast and business television users London's most accessible and advanced uplink facilities," Mr Costley said.

Frost at £2.5m after relisting

Frost Group, which through its Save and Look service stations is one of Britain's largest independent petrol retailers, yesterday released its first results since relisting last October.

The company announced 1991 pre-tax profits down from £4.75m to £2.5m on turnover of £82.8m (£101.5m).

However, Frost said the two periods were not comparable because of the company's previous status as a subsidiary of Norfolk House, the property group which went into receivership in March last year after buying Frost in 1990.

Earnings fell to 13.4p (24.2p) and the dividend is 2p (nil).

Talks allow Cabra to lift threat to wind up Chelsea

By Andrew Bolger

CABRA ESTATES, the heavily-indebted property company, yesterday lifted its threat to seek the winding-up of Chelsea football club, saying talks on the future of the club's west London ground had made satisfactory progress.

The heads of an agreement have been signed, whereby the club will buy its Stamford Bridge ground from Cabra for about £13m in cash.

Crucially, the property company has been assured that Chelsea has access to bank funds and now hopes that a formal agreement can be signed within weeks.

Part of the deal would involve Chelsea relieving Cabra of its obligation to pay Fulham football club roughly £8m to leave its Craven Cottage ground (to share Stamford Bridge) to clear the way for redevelopment.

Cabra warned that Chelsea might have to be wound up after the club did not come up with the £22.85m purchase price for Stamford Bridge by last week's deadline, set as part of a contract backed by recent High Court and Court of Appeal rulings.

BM selling bakery machine side of Thomas Robinson

By Haig Simonian in Milan

SASIB, the Italian specialised engineering concern controlled by Mr Carlo De Benedetti's CIR holding company, is buying the bakery machinery division of the Thomas Robinson Group, the company recently acquired by the BM Group.

The sale involves Spooner Vicars and four other companies, all located near Manchester, along with activities in the US and two joint ventures in Japan and Brazil. The companies being purchased generate sales of £18.6m and employ about 250 staff. No price has been disclosed.

Sasib, based in Bologna, has been growing rapidly in recent years through a string of acquisitions. It has expanded into new activites in railway signalling and food processing and packaging, which account for 60 per cent of turnover.

The group said the latest purchases marked a further step in its strategy to become a leading provider of equipment and services for the international baking industry.

After the purchases Sasib's bakery machinery side will have sales of more than L150bn (£70m).

STATE LOAN OF THE KINGDOM OF HUNGARY
7½% (Now 2.75 per cent) Sterling Bonds 1924

Notice is hereby given that a Drawing of Bonds of the above loan took place on 1st April 1992, attended by Mr Michael Jeremy Upsall, of the firm of Middleton & Upsall, Notary Public, when the following bonds, which have been assented to the 1968 Offer, were drawn for redemption at 110% on 1st May 1992, from which date all interest thereon will cease:

9 BONDS OF £1,000 NOMINAL CAPITAL EACH
Numbers: 50052 50101 50119 50201 50205 50268 50353 50658 50680

37 BONDS OF £500 NOMINAL CAPITAL EACH
Numbers: 51011 51018 51056 51091 51171 51179 51217 51240 51291 51380 51559 51606 51615 51698 51728 51737 51765 51776 51833 51862 51911 51943 51957 51958 51993 52060 52073 52108 52201 52317 52327 52524 53041 53057 53223 53294 53303

319 BONDS OF £100 NOMINAL CAPITAL EACH
Numbers: 54053 54057 54224 54235 54288 54352 54360 54361 54364 54375 54435 54467 54616 54628 54682 54754 54761 54824 54842 54876 54930 54949 54954 54969 54983 55005 55019 55025 55027 55497 55513 55583 55678 55752 55789 55934 56319 56335 56431 56453 56497 56509 56600 56608 56729 56746 56791 56842 56846 56872 56889 57073 57096 57099 57113 57141 57157 57178 57307 57377 57438 57524 57596 57600 57649 57685 57747 58143 58217 58266 58310 58337 58339 58340 58410 58431 58758 58790 59332 59392 59465 59473 59541 59568 59573 59574 59601 59627 59672 59683 59868 59895 59909 59963 59971 59981 60003 60026 60071 60083 60097 60107 60121 60143 60179 60223 60356 60396 60456 60530 60543 60553 60562 60603 60630 60633 60637 60721 60774 60788 60798 60823 60952 60994 61101 61262 61529 61541 61548 61583 61672 61775 61819 61882 61910 61955 61975 62009 62043 62206 62217 62223 62301 62418 62907 62966 62976 63037 63056 63124 63135 63231 63320 63329 63392 63400 63405 63477 63487 63538 63587 63617 63618 63736 63768 63802 63803 63827 63829 63942 63990 64079 64082 64113 64117 64125 64133 64136 64171 64209 64264 64430 64497 64604 64803 64816 64895 64896 64900 64993 65010 65077 65087 65229 65254 65392 65449 65482 65504 65534 65703 65711 65726 65763 66164 66500 66526 66655 66693 66925 66956 67439 67501 67586 67634 67639 67820 68282 68354 68363 68499 68670 68730 68777 68817 68899 68935 69097 69289 69301 69348 69381 69404 69670 69735 69739 69760 69851 69853 69872 69974 69979 69983 69997 70023 70094 70226 70246 70260 70262 70273 70435 70514 70557 70662 70705 70785 70826 70903 70906 71318 71486 71505 71528 71530 71623 71700 71908 71917 71968 72017 72060 72072 72144 72153 72312 72354 72406 72452 72458 72535 72619 72685 72709 72716 72816 72818 72866 73230 73231 73235 73591 73597 73608 73613 73618 73638 73861 73974 73984 73987 74050 74112 74171 74252 74367 74397 74437 74439 74511 74520 74762 74778 74799 74903 75087 75111 75133 75138

365 *Bonds amounting to £59,400 nominal capital.*

Witness: Michael J. Upsall, Notary Public.
Each of the above bonds when presented at the office of Barclays Bank PLC for redemption must bear the coupon dated 1st May 1993, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid. Special listing forms can be obtained on application.
The usual interval of four clear days will be required for examination.
NOTICE IS HEREBY GIVEN that the Coupons due 1st May 1992 from bonds of the above loan, which have been assented in London to the 1968 Offer, may now be lodged with Barclays Bank PLC, listed on the special forms which can be obtained on application.
The usual interval of four clear days will be required for examination.

BARCLAYS BANK PLC
STOCK EXCHANGE SERVICES DEPARTMENT
168 Fenchurch Street, London EC3P 3HP
14th April 1992

BRITANNIA BUILDING SOCIETY
£150,000,000
Floating Rate Notes
Due 1993

(comprising £75,000,000 Floating Rate Notes 1993 issued on 8th November 1985 and a further £25,000,000 Floating Rate Notes due 1993 issued on 8th July 1986 and a further £50,000,000 Floating Rate Notes due 1993 issued on 10th August 1988 consolidated and forming a single series therewith).

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from (and including) 10th April 1992 to (but excluding) 10th July 1992 the Notes will carry a rate of interest of 10½ per cent. per annum. The relevant interest payment date will be 10th July 1992. The coupon amount per £10,000 Note will be £261.07 payable against surrender of Coupon No: 26.

Hambros Bank Limited
Agent Bank

YORKSHIRE BUILDING SOCIETY
Issue of up to
£150,000,000
Floating Rate Notes
Due 1997

(of which £100,000,000 was issued on 10th July 1990 as the initial Tranche)

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three month interest period from (and including) 10th April 1992 to (but excluding) 10th July 1992 the Notes will carry a rate of interest of 10.475 per cent. per annum. The relevant interest payment date will be 10th July 1992. The coupon amount per £50,000 will be £1,302.22 payable against surrender of Coupon No: 8.

Hambros Bank Limited
Agent Bank

CIBA-GEIGY

Annual General Meeting

Basle (Switzerland), April 13, 1992

Notice of Meeting
Notice is hereby given to the shareholders that the Annual General Meeting

of the Company will be held at the Sporthalle St. Jakob, Basle, on **Wednesday, May 6, 1992, commencing at 10.30 a.m.**
(entrance Brüglingerstrasse/St. Jakobs-Strasse; the doors of the assembly hall will open at 9.00 a.m.).

Items of business

1. Directors' Report and Accounts for 1991. Auditors' Report
2. Formal Approval of Management's Activities
3. The Appropriation of Profit
4. Ordinary Increase of Share Capital, Split and Creation of Authorised Share Capital
   - 4.1 Ordinary increase of share capital
     - Issue of 222,726 registered shares of SFr. 100 par value each subject to the subscription rights of share and participation certificate holders (ratio 1:25);
     - Issue of 79,545 registered shares of SFr. 100 par value, excluding subscription rights, to guarantee bonus options assigned to existing share and participation certificate holders (ratio 1:70), the purchase price of shares to be issued on exercise of the option to be determined by the Board of Directors;
     - Provisions governing subscription and payment for the new shares.
     - Amendment of Article 4 of the Articles of Association.
   - 4.2 Split of registered and bearer shares and participation certificates
     - Split of all registered and bearer shares and participation certificates at the existing par value of SFr. 100 into 5 securities of the same category with a new par value of SFr. 20.
     - Amendment of Article 4 of the Articles of Association (registration in the Commercial Register after the revised company law provisions come into effect).
   - 4.3 Creation of authorised share capital
     - Authorisation of the Board of Directors to increase the share capital by the issue of not more than 500,000 registered shares at a par value of SFr. 20 each, at any time prior to May 5, 1994.
     - Amendment of Article 4 (new Article 4d) of the Articles of Association (registration in the Commercial Register after the revised company law provisions come into effect).
5. Elections to the Board of Directors
   Re-election of Prof. Max M. Burger and Prof. Hugo E. R. Uyterhoeven; Election of Mr David de Pury, resident in Zurich.
6. Appointment of Auditors

The Annual Report for 1991, including the balance-sheet at December 31, 1991, the profit and loss account, the Proposal of the Board of Directors for the appropriation of profit, the Auditors' Report, and the proposals for Agenda Item 4 (including proposed amendments to Article 4 and 4d of the Articles of Association) may be inspected by shareholders at the Registered Office of the Company* with effect from Thursday, April 16, 1992.
The Annual Report and the Proposals and Comments on Agenda Item 4 will be mailed to holders of registered shares.

Tickets of admission for those whose names appear in the register of shareholders as at Friday, March 27, 1992, are being sent today to the address registered by them for this purpose.

Holders of bearer shares may obtain their ticket of admission and voting papers against temporary surrender of their share documents not later than Wednesday, April 22, 1992, from their bank or directly from the Registered Office of the Company*.

The resolutions proposed at Agenda Items 4.2 and 4.3 anticipate the new company law which obliges Swiss banks and also professional securities administrators to notify to the Company the number, type, par value and category of the shares they represent. Representatives of the above are requested to let the Company have these details as soon as possible, and in any event not later than at the time of passing through the entrance control on the day of the General Meeting.

By Article 11 of the Articles of Association, a shareholder may appoint as his **proxy** for a General Meeting only his lawful representative or another shareholder present in person at the Meeting, by completing the instrument of proxy on the reverse of the ticket of admission. A shareholder may also appoint the independent proxy named on the instrument of proxy.

By Article 4c of the Articles of Association, no person is entitled to votes representing more than 5 per cent of the total share capital in respect of the aggregate of shares which he holds plus shares in respect of which he holds a proxy.

After the General Meeting, the texts of the resolutions adopted may be inspected by the **holders of participation certificates** at the Registered Office of the Company*.

For the Board of Directors of
CIBA-GEIGY Limited

Alex Krauer, Chairman

* Office of the Company Secretary, Klybeckstrasse 141, CH-4057 Basle

Coffee prices tumble on pact disappointment

By David Blackwell

COFFEE PRICES tumbled in both London and New York yesterday as the markets registered their disappointment at last week's International Coffee Organisation meeting.

Lengthy squabbling over the make-up of the ICO negotiating group led only to an announcement that the council would meet again on June 22 to start discussions on a new international coffee agreement with economic clauses.

As one weary delegate said on Friday evening: "If it's taken us this long to agree on something as insignificant as this, how on earth are we going to agree on export quotas".

Much of the argument was over form, one delegate said yesterday. "There were no major breakthroughs. The awkward and sensitive issues have still to be addressed."

The July robusta contract on the London Futures and Options Exchange closed yesterday at $828 a tonne, a fall of $36. In late trading in New York the July arabica contract was more than 3 cents down at 68.10 cents a lb.

Observers pointed to remarks by Mr Arnoldo Lopez, chairman of the ICO Council, which effectively pushed the timetable for any economic measures to support the coffee markets back to September next year.

Many people in the market, particularly in New York, were convinced that last month's decision by Brazil, the world's biggest coffee exporter, to back a new coffee agreement would lead to something more concrete emerging from last week's meeting.

But Mr Lawrence Eagles, analysts with GNI, the London futures brokers, said yesterday that the markets now realised there was "a lot of time and a lot of coffee to be sold before the ICO can even contemplate approving a quota system".

This was not necessarily bad for the prospects of an agreement, however. "There is nothing like economic pain to forge a new agreement," he said.

The abandonment of export quotas in July 1989 is thought to have cost Latin American coffee producers about $6bn in lost revenues.

Indonesian rubber output forecast to fall by 25%

INDUSTRY OFFICIALS expect Indonesian rubber output to fall by about 25 per cent in the first six months of 1992 as a result of low prices and natural disasters that have forced many producers out of business, reports Reuter from Jakarta.

"Unfair pricing in the world market, and tight money and natural causes at home made producers think the business is no longer lucrative. Lower output is inevitable," said Mr O.K. Cornel, chairman of Gapkindo, the Indonesian Rubber Association.

Of about 90 processing plants in the country, 20 are no longer active. The rest have reduced their working hours.

Indonesia, the world's second largest natural rubber producer, produced 1.26m tonnes last year.

Mr Cornel said first-half output by smallholders, who account for 80 per cent of production, would fall as much as 25 per cent. That of state plantations would probably drop no more than 10 per cent, however, because they had better facilities.

Haze from forest fires in the past few months had hampered photosynthesis which in turn reduced rubber production, he said.

Output has also been hit in some areas by drought which lowered the level of rivers which smallholders use for soaking and transport.

Another Gapkindo official said many growers had given up land to developers for real estate and golf courses.

"There's nothing that can stop them but better prices, otherwise forget it. They need more cash to survive," he said.

Many processing plants are producing at only half capacity. Indonesia's two-year-old tight money policy has raised processing costs by up to 35 per cent and the recent rise in fuel prices added another 15 per cent.

"It is really a burden. Many more processors will cut production or shut down. Results in the second half are likely to be worse," the Gapkindo official said.

Traders said prices for Standard Indonesian Rubber 20, the country's main export grade, had risen by 6 to 7 cents to 84 cents a kilogram because of shortages in the past few weeks.

Amax plans aluminium smelter in Iceland

By Kenneth Gooding, Mining Correspondent

AMAX, THIRD-LARGEST of the US aluminium producers, is determined to build a $1bn, 210,000-tonnes-a-year smelter in Iceland, said Mr Alan Born, chairman.

He said Amax would need the metal for its fabricating operations in Europe. At present the US group swaps primary aluminium with European producers who need metal in the States so that Amax can avoid paying the 6 per cent tariff levied by the European Community.

Mr Born said it was clear that the opportunity for metal swaps would become more limited as demand for aluminium grew in Europe but production capacity remained static.

Aluminium from the so-called Atlantal smelter would enter the EC free of tariff under present arrangements with Iceland.

The future of the Atlantal project has been in some doubt since last November when it was shelved because of low aluminium prices and because finance was not available on acceptable terms.

However, Mr Born told the Association of Mining Analysts in London: "The question is not if we will build the smelter but when we will build it." He suggested construction would start between 1995 and 1997, depending on market conditions.

Amax has a 40 per cent stake in the Atlantal consortium with Hoogovens Aluminium of the Netherlands and Granges, part of Sweden's Electrolux group, each owning 30 per cent.

Mr Born suggested conditions in the aluminium market would improve gradually but that there would be little further improvement in prices until London Metal Exchange stocks were substantially reduced and "we have hard evidence that Russian metal exports are decreasing".

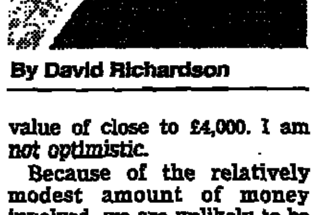
Unless the aluminium price increased by another 10 cents a lb fairly soon, more European capacity would have to close, he said.

Mr Born said consumption of aluminium by the automotive industry was increasing and conservative estimates suggested this would boost demand by 1m tonnes annual by the year 2,000. That would require five new smelters. Amax based its estimates on an assumption that the use of aluminium in the average north American car would increase from 160 lb to 240 lb.

Brussels kills off slaughterhouse profits

Closures are multiplying as Britain's abattoir industry is forced to raise standards

FARMER'S VIEWPOINT



By David Richardson

A COUPLE of months ago, the local commission agent for a quality meat scheme came to our farm to see if we were interested in a premium price for the last of our 1991 lambs. He had heard that the 100 or so animals we had left from the previous season had been fed entirely on turnips and sugar beet tops through the winter, and that they had been given no concentrate feed. This meant, he told us, that, provided they were of sufficient quality, they would qualify for a 6 per cent premium over average market price.

You don't get many offers like that in farming these days, so we were bound to take him seriously. Even so, we took the precaution of checking on the credit-worthiness of the eventual buyers and talking to a few farmers who had previously supplied them to ensure there had been no payment problems. All seemed well, and we agreed to sell the lambs at the said premium.

Two days later, the lorry arrived to collect the lambs, and off they went to the abattoir. Two days after that, it was announced on the BBC's early morning farming radio programme that the company which had taken them had called in the receiver.

Now, two months after that, we are still waiting to hear if we are likely to be paid anything for the lambs, and, if so, what proportion of their total value of close to £4,000. I am not optimistic.

Because of the relatively modest amount of money involved, we are unlikely to be dragged down in the classic domino effect that characterises such business failures. But we were relatively lucky. Another Norfolk farmer stands to lose £72,000 from the same collapse, and yet another £260,000 from the bankruptcy of an even bigger meat company that went under a few weeks later. I am not sure how they will cope.

It is estimated, in fact, that about 90 UK abattoirs have closed in the last 12 months, and, according to a new report by the Meat and Livestock Commission, a further 350 are likely to go out of business within the next two years. That implies that about half of the 700 or so abattoirs in operation at the moment will go. Only 12 years ago, this country had almost 1,200 abattoirs.

The slaughter industry is, in fact, squeezed between the costs of complying with European Community regulations and the reluctance, or more accurately, refusal, of the big wholesale buyers to pay more for meat. Moreover, 1992 is a crunch year, because, by January 1, 1993, all UK abattoirs must comply with the European Commission's Fresh Meat Directive, which requires that the standard of all slaughtering facilities throughout the community be harmonised.

That is not to say, as the MLC report makes clear, that standards currently imposed in the UK are any danger to public health. Indeed, all abattoirs have had to be licensed, inspected and approved regularly by local authorities for many years. The EC now requires, however, that so-called "export standards" be met, even when the meat is for domestic consumption. It is the expense involved in bringing plants up to this level that is causing many of the closures.

In the past only a small proportion of the abattoirs in the UK were export-approved. This was because, historically, the UK had been an importer, rather than an exporter, of meat, and few abattoir-owners felt it worthwhile to spend the significant sums required to be otherwise. Now they have to do so or go out of business.

Indeed, some abattoir-owners have recently taken the necessary measures. They have brought their plants up to the required standard and, in many cases, have increased their capacity in order to justify the expenditure. This means they are now forced to buy additional prime stock to keep their slaughter lines running.

But in the meantime a shortage of supplies has occurred. Poor profitability last year led to a reduction in the pig-breeding herd. Then the dreaded blue-ear disease cut the numbers reaching maturity this year, both here in Britain and in other EC countries that normally export to the UK. The disease is still decimating herds in some regions, and now another, equally serious, flu-like virus, which can also be fatal to small pigs, is adding to farmers' and abattoir-owners' problems.

Inevitably, given the keen demand from expanded abattoirs, combined with the shortage of stock, the price of those pigs that are available has risen, much to the satisfaction, I might add, of farmers who have managed to stay free of disease. But the supermarkets, who are the main customers of many of the upgraded abattoirs, have declined to pay extra for their supplies on the grounds that this would force them to raise retail prices and risk provoking consumer resistance.

Similarly, although the ex-farm price of fresh English lamb is still insufficient to provide a reasonable profit for sheep farmers, now that the EC variable premium has been abolished, supermarkets find that they can buy frozen New Zealand lamb much cheaper and are turning to these imports in increasing quantities in order, they say, to help the housewife economise.

The number of home-produced lambs has also fallen slightly this year in response to EC measures to restrict the size of flocks by limiting ewe headage payments to 500 head per farmer. All of which is bad news for the abattoir industry.

In the short term, at least, it is also bad news for farmers like me. For, although I accept that the rationalisation of the UK slaughtering sector may be long overdue. I am now faced with the unpalatable possibility of not being paid for animals I have taken months or years to rear.

Indeed, I may well be forced to accept lower prices for those animals from abattoirs I know to be solvent, instead of trying to strike the best possible bargain. And, in case you were wondering, the cost of credit insurance against abattoir failure has become prohibitive, always assuming you can actually find someone willing to write it.

The Abattoir Industry in Great Britain. Price £65, from MLC, P.O. Box 44, Winterhill House, Snowdon Drive, Milton Keynes, MK6 1AX.

Indian aluminium production outstrips demand

By Kunal Bose in Calcutta

THE INDIAN aluminium industry closed the 1991-92 season last month with unsold stocks of more than 50,000 tonnes; and the total would have been twice as high had the industry not exported more than 50,000 tonnes at a loss. According to Mr A.K. Agarwala, president of Hindalco Industries, India's largest private sector producer of aluminium, the unsold stocks are largely attributable to reduced demand from the cable and conductor manufacturers. The electrical sector accounts for nearly 45 per cent of the Indian aluminium consumption.

Demand for the metal from the other major sectors – transport, construction, packaging and domestic appliances – was sluggish because of the general recession in the economy. Domestic offtake of about 425,000 tonnes in 1991-92 fell short of the expected level by about 45,000 tonnes.

Indian aluminium consumption in 1990-91 was 450,000 tonnes. In spite of the infrastructure bottleneck, the Indian industry produced 512,000 tonnes last year, beating its target of 500,000 tonnes and 1989-90's actual production of 449,328 tonnes. The installed capacity of the industry is 610,000 tonnes.

Mr Agarwala points out that demand growth has been deterred by the high duty on aluminium, which constitutes nearly 40 per cent of the final price of the metal, much higher than is paid on other non-ferrous metals, like copper, zinc and lead, which are mostly imported. The Federal Ministry of Mines has backed the aluminium industry's plea for the duty to be reduced, but the Ministry of Finance has to agree. A strong case is also being made for lowering import duties on hard pitch and calcined petroleum coke, two important inputs for aluminium production.

Aluminium Industry officials expect that following the launch on April 1 of the eighth five year plan, which lays considerable stress on the creation of new power generation capacity, there will be strong growth in demand for aluminium. The working group on the plan projected 8 per cent annual growth in aluminium demand during the plan period.

Mr Agarwala believes that if the primary metal producers undertake market development work in earnest domestic aluminium demand could easily be raised to 1m tonnes by the end of the century. At present Indian per capita consumption of the metal, at 500 grams is one of the lowest in the world.

It is only recently that the Indian authorities have come to appreciate the value of aluminium's recyclability. Being highly dependent on fuel imports, India is expected to encourage the use of this light metal in the transport sector. Mr Agarwala thinks that transport, packaging, automobile and construction sectors will provide the main surge in demand in the future. But, as there is not much new capacity in the pipeline, India will once again be a net importer of the metal in a few years' time. In 1987-88, India imported nearly 65,000 tonnes of aluminium. In the current year, however, it is planning to export 70,000 tonnes of primary metal and semi-fabricated products.

To be a successful exporter, India will have to improve the quality of "semis", which will mean importing technology.

HINDALCO INDUSTRIES, India's largest private sector producer of aluminium has decided to build a 200,000 tonnes-a-year smelter on a greenfield site, writes Kunal Bose. A 500,000 tonnes-a-year alumina (aluminium oxide) plant is also to be set up to feed the proposed smelter. A decision on the location of the project will be taken once Hindalco has signed a lease agreement for mining bauxite (aluminium ore).

According to Mr A.K. Agarwala, Hindalco's president, the company is looking at bauxite reserves in Orissa, Andhra Pradesh and Madhya Pradesh. The cost of setting up the smelter and alumina plant will be about Rs40bn (£870m).

Although Hindalco has been producing aluminium for nearly three decades, for the proposed new plant it will be seeking the latest technology from the west. Mr Agarwala, has identified Pechiney of France, Hydro of Norway and Kaiser and Reynolds of the US as possible sources of the technology. The supplier of the technology is likely to be asked to participate in the equity capital of a company being floated to implement the project.

Meanwhile Hindalco is raising capacity at its Renukoot plant in Uttar Pradesh by 55,000 tonnes to 210,000 tonnes a year. Alumina capacity is also being stepped up from 294,000 tonnes to 350,000 tonnes a year. The total cost of the expansion will be Rs7bn.

WORLD COMMODITIES PRICES

MARKET REPORT

ZINC and **ALUMINIUM** prices were unable to hang on to early gains on the LME. Zinc ran into profit taking and resistance when the three-month price neared $1,300 a tonne. The early gains in aluminium followed news that Russia's government had offered to resign, prompting short covering, with traders concerned over possible disruptions to metal shipments. However, there was no follow-through buying. A rise of up to 4,000 tonnes is expected today in LME warehouse stocks. **GOLD** also lost early gains made on the London bullion market on the Russian news. But US selling had undermined support in the $342 a troy ounce area, dealers said. The metal is expected to hold roughly between $338 and $343 ahead of the Easter holiday. On Comex gold futures were weaker at midsession after Chemical Bank lowered its prime rate. London **COCOA** edged ahead after news that the UK cocoa grind was 21.1 per cent up in the first quarter at 39,831 tonnes. Last week analysts were forecasting a gain of 8 per cent. "It's always good to see a higher figure, but when you see the amount of cocoa which has still to be sold by origin countries, it's a bearish market," one trader said.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.70-6.75	
Brent Blend (dated)	$19.15-20.0	+0.15
Brent Blend (Jun)	$19.05-10.0	+0.30
W.T.I. (1 pm est)	$20.55-2.60z	+0.25
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$210-212	
Gas Oil	$178-179	+2
Heavy Fuel Oil	$71-73	
Naphtha	$178-180	+3
Petroleum Argus Estimates.		
Other		+ or -
Gold (per troy oz)♣	$341.0	-0.4
Silver (per troy oz)♣	410c	-5.0
Platinum (per troy oz)	$347.25	-2.25
Palladium (per troy oz)	$84.10	-0.15
Copper (US Producer)	104.64	-0.57
Lead (US Producer)	37.38c	
Tin (Kuala Lumpur market)	14.66r	+0.70
Tin (New York)	274.50	+3.50
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	109.91p	-0.24*
Sheep (live weight)†♠	93.76p	+3.43*
Pigs (live weight)†	100.56p	+0.64*
London daily sugar (raw)	$241.0y	-3.0
London daily sugar (white)	$276.0y	-1.5
Tate and Lyle export price	£245.5	-1.0
Barley (English feed)	£119.0w	
Maize (US No. 3 yellow)	£148.0w	-1.5
Wheat (US Dark Northern)	£120.0w	
Rubber (May)♥	54.50p	-0.25
Rubber (Jun)♥	54.75p	-0.75
Rubber (KL RSS No 1 May)	218.0	-1.0
Coconut oil (Philippines)§	$62.5t	+2.50
Palm Oil (Malaysian)§	$405.0z	
Copra (Philippines)§	$425.0w	
Soyabeans (US)	£147.5w	-0.50
Cotton "A" index	58.50c	-0.05
Wooltops (64s Super)	448p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. t-May/Jun. y-Apr/May. w-Apr. z-May. †Meat Commission average fatstockprices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
May	215.40	213.20	220.40	211.00
Aug	209.00	206.40	213.20	206.00
Oct	198.80	197.40	202.20	197.00
Mar	192.00	194.00	191.00	
May		193.00		
White	**Close**	**Previous**	**High/Low**	
May	275.20	274.00	276.00	270.00
Aug	274.70	274.90	278.10	271.50
Oct	265.70	264.50	268.00	262.00
Mar	266.70	265.50	267.90	264.50
May	269.00		270.50	267.00

Turnover: Raw 659 (446) lots of 50 tonnes. White (2646)
Paris- White (FFr per tonne): May 1563.10 Aug 1571.53

CRUDE OIL – IPE ($/barrel)

	Close	Previous	High/Low	
May	18.86	19.09	19.25	18.80
Jun	18.82	19.01	19.21	18.82
Jul	18.74	18.91	19.10	18.74
Aug	18.75	18.82	19.00	18.75
Sep	18.72	18.79	18.97	18.72
Oct	18.86	18.82	18.86	18.86
IPE Index	18.96	19.08	18.96	

Turnover 8509 (n/a)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low	
May	176.00	174.00	179.00	175.00
Jun	175.50	173.25	178.50	174.50
Jul	175.75	173.75	178.50	174.50
Aug	177.50	175.25	177.50	176.00
Sep	178.75	176.75	178.75	177.75
Oct	180.50	179.00	181.00	180.00
Nov	181.75	180.25	182.25	181.25

Turnover 10092 (15025) lots of 100 tonnes

TEA

There was very strong and widespread demand reports the Tea Brokers Association. Bright liquoring and most medium East African were a full 10 to 15p dearer. Central African teas also sold readily with gains of 2 to 5p. Ceylons were again well supported and improved quality sorts advanced by 5 to 10p. Offshore strong demand in the cif section with prices 2 to 10p dearer. Fob teas from Mauritius came to a more selective market. The highest price realised this week was 199p for a rwanda pd. Quotations: quality 170p nom, good medium 130p, medium 112p, low medium 90p.

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low	
May	610	606	613	607
Jul	637	634	640	635
Sep	664	661	666	662
Dec	699	696	701	697
Mar	734	732	735	732
May	754	754	753	
Jul	775	775	776	
Sep		796		

Turnover 2783 (4055) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Apr 10 756.93 (762.55) 10 day average for Apr.13 763.15 (767.29)

COFFEE – London FOX ($/tonne)

	Close	Previous	High/Low	
May	807	846	835	801
Jul	828	864	860	825
Sep	847	882	880	846
Nov	869	899	885	868
Jan	888		908	892
Mar	907	935	918	

Turnover:5230 (2030) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Apr.10: Comp. daily 55.95 (58.41) 15 day average 56.45 (56.60)

POTATOES – London FOX (£/tonne)

	Close	Previous	High/Low	
May	117.6	116.5	117.5	115.5
Apr	123.0	123.5	123.0	122.5

Turnover 35 (139) lots of 20 tonnes.

SOYAMEAL – London FOX (£/tonne)

	Close	Previous	High/Low
Jun		119.00	

Turnover 0 (100) lots of 20 tonnes.

FREIGHT – London FOX ($10/index point)

	Close	Previous	High/Low	
Apr	1201	1167	1201	1165
May	1175	1155	1176	1160
Jun	1078	1063	1078	1060
Jul	1069	1058	1068	1065
BFI		1143		

Turnover 58 (347)

GRAINS – London FOX (£/tonne)

Wheat	Close	Previous	High/Low	
May	122.65	123.70	123.70	122.50
Jun	124.45	125.45	125.45	124.40
Nov	114.85	115.35	115.00	114.80
Jan	118.65		118.80	118.65
Mar	121.65		121.70	121.65
Barley	**Close**	**Previous**	**High/Low**	
Sep	108.40		108.90	108.40

Turnover: Wheat 239 (54), Barley 10 (95).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low	
May	125.0	126.0	125.0	124.5
Jun	119.0	119.5	119.0	118.5

Turnover: 7 (16) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover 53,335 lots	
Cash	1337-8	1338-9	1337/1336.5	1336-6.5		
3 months	1363-4	1364-5	1367/1359	1361.5-62	1364-5	160,271 Lots
Copper, Grade A (£ per tonne)					Total daily turnover 38,198 lots	
Cash	1245-5.5	1252-3	1252/1245.5	1251.5-52		
3 months	1275-6	1280-1	1282/1273	1281.5-82	1277-8	105,728 lots
Lead (£ per tonne)					Total daily turnover 4,517 lots	
Cash	301.5-2.5	303.5-4.5	302.25	302-2.25		
3 months	314-4.5	316.5-6.0	317/313.25	314-4.5	313.25-.5	17,351 lots
Nickel ($ per tonne)					Total daily turnover 6,789 lots	
Cash	7325-35	7380-90	7352	7350-2		
3 months	7435-40	7465-75	7480/7425	7450-5	7435-40	26,630 lots
Tin ($ per tonne)					Total daily turnover 3,238 lots	
Cash	5860-70	5910-20		5915-25		
3 months	5865-70	5880-5	5900/5825	5890-5	5840-5	8,781 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 18,465 lots	
Cash	1306-8	1303-5	1307/1308	1306.5-7		
3 months	1290-1	1287-8	1295/1288	1290-1	1290-1	53,689 lots

LME Closing £/$ rate: SPOT: 1.7632 3 months: 1.7358 6 months: 1.7095 9 months: 1.6889

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	340.80-341.20	
Opening	341.20-341.60	
Morning fix	342.00	193.242
Afternoon fix	340.60	193.066
Day's high	342.30-342.60	
Day's low	340.10-340.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	3.37	6 months	3.25
2 months	3.32	12 months	3.45
3 months	3.25		

Silver fix	p/fine oz	US cts equiv
Spot	232.56	410.00
3 months	240.20	416.50
6 months	246.70	420.90
12 months	257.75	430.70

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	341.00-342.00	193.00-193.50
Maple leaf	351.50-352.50	199.25-199.75
New Sovereign	83.50-84.50	47.25-47.75

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	Jun	May	Jun
1200	150	159	3	3
1300	58	73	7	14
1400	8	21	57	61
Copper (Grade A)	**Calls**		**Puts**	
2150	65	75	3	8
2250	7	18	44	49
2350	3	3	136	132
Coffee	**May**	**Jul**	**May**	**Jul**
750	57	65	3	7
800	10	49	3	21
850		24	44	46
Cocoa	**May**	**Jul**	**May**	**Jul**
575	35	16		4
600	12	47	2	10
625	1	41	16	19
Brent Crude	**May**	**Jun**	**May**	**Jun**
1850				19
1900		45		38
1950		16		

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Apr	339.2	341.1	342.0	339.5
Jun	340.6	342.5	343.2	340.4
Aug	342.5	344.5	345.1	342.3
Oct	344.5	346.5	347.2	345.7
Dec	346.6	348.6	349.4	346.4

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	346.2	346.0	346.0	345.0
Jul	347.6	347.7	348.5	347.0
Oct	351.5	351.6	352.0	351.0
Jan	351.6	351.7	353.0	352.5

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
May	409.3	410.6	411.5	408.5
Jun	410.9	412.4	412.0	412.0
Jul	412.4	413.8	414.5	410.0
Sep	416.7	417.1	416.5	416.0
Dec	420.7	422.2	422.5	418.0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	99.20	99.80	99.45	99.05
May	99.35	99.90	99.60	99.00
Jun	99.30	100.05	99.45	99.25
Jul	99.70	100.05	99.96	99.40
Aug	100.00	100.10	100.00	99.75
Sep	100.05	100.10	100.10	99.80
Oct	100.10	100.10	0	0
Nov	100.10	100.10	0	0
Dec	100.15	100.10	100.10	99.80
Jan	100.05	100.00	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Close	Previous	High/Low	
May	20.22	20.44	20.62	20.16
Jun	20.29	20.48	20.54	20.25
Jul	20.28	20.44	20.60	20.24
Aug	20.24	20.39	20.53	20.23
Sep	20.18	20.33	20.45	20.17
Oct	20.13	20.28	20.39	20.18
Nov	20.08	20.23	20.32	20.08
Dec	20.04	20.19	20.28	20.00
Jan	19.96	20.11	20.20	20.03
Feb	19.89	20.04	20.12	19.95

HEATING OIL 42,000 US galls, cents/US galls

	Close	Previous	High/Low	
May	5548	5614	5695	5635
Jun	5517	5582	5645	5610
Jul	5520	5574	5635	5510
Aug	5579	5630	5685	5580
Sep	5689	5740	5790	5695
Oct	5789	5840	5880	5800
Nov	5879	5930	5980	5880
Dec	5964	6015	6065	5980
Jan	5984	6035	6075	5995

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
May	948	960	968	944
Jul	990	1002	1011	988
Sep	1031	1042	1050	1029
Dec	1081	1092	1095	1080
Mar	1123	1137	1137	1121
Jul	1183	1195	1190	1188
Sep	1209	1211	1218	1210
Dec	1241	1243	1250	1250

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
May	65.85	68.90	67.60	65.00
Jul	67.90	71.30	69.50	67.00
Sep	70.40	73.70	71.70	70.35
Dec	73.95	77.25	75.20	73.90
Mar	77.75	80.80	79.00	77.80
May	80.30	84.15	80.50	80.40
Jul	84.00	87.05	84.60	83.75
Sep	85.85	88.90	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	9.67	9.56	9.80	9.40
Jul	9.38	9.29	9.81	8.39
Oct	8.91	8.89	9.11	8.82
Mar	8.81	8.79	8.97	8.75
May	8.79	8.79	8.97	8.79

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	57.16	58.35	58.10	57.00
Jul	59.12	60.28	60.00	59.00
Oct	60.85	61.70	61.60	60.75
Dec	61.57	62.45	62.25	61.40
Mar	63.00	63.90	63.30	62.75

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	135.95	135.00	136.30	134.50
Jul	131.45	130.70	131.50	130.30
Sep	124.10	124.00	125.00	124.00
Nov	119.10	118.65	120.25	119.10
Jan	118.95	118.75	118.50	119.25
Mar	119.10	118.50	119.50	119.20

INDICES

REUTERS (Base: September 18 1931 = 100)

Apr.13	Apr.10	mnth ago	yr ago
1629.0	1627.9	1623.1	1735.6

DOW JONES (Base: Dec. 31 1974 = 100)

	Apr.10	Apr.9	mnth ago	yr ago
Spot	117.02	118.48	119.05	127.15
Futures	120.32	120.51	121.84	129.26

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
May	571/0	571/0	0	0
Jul	578/2	578/2	0	0
Aug	582/0	582/0	0	0
Sep	585/4	585/4	0	0
Nov	592/2	592/2	0	0
Jan	601/4	601/4	0	0
Mar	610/4	610/4	0	0
May	617/0	617/0	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
May	19.39	19.39	0	0
Jul	19.67	19.67	0	0
Aug	19.83	19.83	0	0
Sep	19.98	19.98	0	0
Oct	20.11	20.11	0	0
Dec	20.45	20.45	0	0
Jan	20.50	20.50	0	0
Mar	20.75	20.75	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
May	173.8	173.8	0	0
Jul	176.3	176.3	0	0
Aug	177.4	177.4	0	0
Sep	178.5	178.5	0	0
Oct	193.5	193.5	0	0
Dec	194.1	194.1	0	0
Jan	194.5	194.5	0	0
Mar	195.0	195.0	0	0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	253/4	253/4	0	0
Jul	259/0	259/0	0	0
Sep	255/4	255/4	0	0
Dec	254/0	254/0	0	0
Mar	261/4	261/4	0	0
May	265/4	265/4	0	0
Jul	268/6	268/6	0	0
Dec	255/4	256/4	0	0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	361/0	361/0	0	0
Jul	351/2	351/2	0	0
Sep	356/6	356/6	0	0
Dec	364/6	364/6	0	0
Mar	366/4	366/4	0	0
May	357/4	357/4	0	0
Jul	340/4	340/4	0	0
Sep	345/4	345/4	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	78.400	78.850	78.700	78.300
Jun	73.175	73.625	73.450	73.100
Aug	69.125	69.400	69.425	69.100
Oct	68.725	69.025	69.075	68.700
Dec	69.000	69.250	69.200	68.950
Feb	68.600	68.750	68.650	68.600
Apr	70.050	70.125	70.100	70.050

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	43.225	42.950	43.400	42.850
Jun	48.175	48.025	48.350	47.850
Jul	46.925	48.275	46.550	46.200
Aug	44.425	44.450	44.625	44.350
Oct	40.850	41.000	40.950	40.750
Dec	42.850	42.725	43.000	42.850

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
May	34.325	34.975	34.900	34.200
Jul	34.275	34.875	34.850	34.250
Aug	32.850	33.275	33.400	32.800
Feb	42.625	42.950	43.000	42.600
Mar	42.125	42.325	42.400	42.125
May	43.150	43.500	43.650	43.150

LONDON STOCK EXCHANGE

Equities maintain upward momentum

By Steve Thompson

A FEELING of anti-climax pervaded London's equity market yesterday, but there was still sufficient buying interest from local and overseas investors to produce another session of good gains across the board.

Worries about political developments in Russia, plus a fresh slide in the Tokyo market overnight combined to take the edge off the market, as did the sight of wreckage resulting from the terrorist bomb in the City on Friday evening.

Dealers were wary of the market at the outset, concerned about Tokyo's 500-points plus decline, and the possibility that the huge jump in share prices last Friday after the Tory election victory could attract a bout of profit-taking.

Marketmakers opened the leaders around Friday's closing levels in an effort to encourage more of the heavy two-way business that boosted turnover last week. The move proved successful, with buyers moving in quickly and boosting the FT-SE 100-share index to the day's best level of 2,606.5, or 33.9 higher, within an hour or so of the start of business.

Thereafter, the market traded in a narrow range, with intermittent bouts of profit-taking followed by flurries of keen buying interest.

The Footsie future provided a measure of support for cash, holding a good premium to the underlying market throughout the trading session.

At the close, the FT-SE 100 share index was 18.4 higher at 2,591.0. Turnover of 629.3m shares, although sharply higher than average, fell well short of Friday's 1,345.4m, itself way ahead of any single trading session for many months. Statistics published by the Stock Exchange show that the value of customer business transacted on Friday hit a massive £2.59bn, having failed to reach £1bn on any of the previous four trading session last week.

Damage wrought by Friday's bomb in the City was the latest disaster to affect composite insurers although specialists said the impact would be cushioned by reinsurance.

Midland Bank spurted ahead on rumours that merger terms in the region of 420p a share from Hongkong & Shanghai would be announced mid-week. Allied Breweries was one of the Footsie's biggest casualties after Sir Gordon Borrie, director-general of the Office of Fair Trading, criticised long-term supply agreements between national brewers and pub retailing companies.

Shares in the construction and building materials sectors were supported ahead of a busy week of company news, including figures from industry leaders such as Taylor Woodrow, RMC and Tarmac.

Strategists continue to adopt a positive stance on the UK market in the wake of the Tories' general election victory.

The Global Strategy team at US investment bank Morgan Stanley has increased the UK equities weighting of its European Model Portfolio from 8.5 per cent to 14 per cent at the expense of its German portfolio which now comprises 26 per cent, down from 31.5 per cent. "The voters' verdict has made the UK one of the best disinflationary stories in Europe; it bolsters the long term prospects for equities and bonds," said Morgan Stanley.

Account Dealing Dates		
*First Dealings:		
Apr 6	Apr 27	May 11
Option Declarations:		
Apr 23	May 7	May 28
Last Dealings:		
Apr 24	May 8	May 29
Account Day:		
May 5	May 18	Jun 8

*New-time dealings may take place from 8.30 am two business days earlier.

Insurance stocks fall

INSURANCE stocks fell in the wake of Friday night's IRA bomb attack in the City as financial analysts struggled to put a figure on the value of the blast damage. Estimates varied wildly but there appeared to be some consensus of as much as £1bn.

Commercial Union lost 4 to 425p. The company will be affected not only by the disruption to its business but also because it owns 20 per cent of its headquarters, which were rendered unusable by the explosion. Sun Alliance, cushioned by reinsurance but still estimated by one analyst to be in line for a £40m hit from the attack, fell 4 to to 262p and even General Accident, whose exposure will be limited because of its concentration on personal clients, lost 5 to 435p.

Mr Richard Wynne-Griffith of BZW's insurance team said: "This is another blow to already weakened balance sheets and unlike a hurricane it is not necessarily a one-off incident."

Midland advance

The London market picked up rumours sweeping Hong Kong that a 400p a share bid for Midland would be launched on Wednesday and the UK clearing bank's shares jumped 16 to 372p with a hefty 10m shares traded.

Observers said that Hongkong & Shanghai bank's parent company, which proposed an agreed takeover a month ago, was prepared to make an all-paper bid valued at around 420p. There is a belief that Hongkong wants to undermine an anticipated attempt by Lloyds Bank to make a rival offer.

County NatWest was highlighting to clients yesterday the logic of a rival bid from Lloyds, which eased a penny to 395p after being 6 off at one stage.

Allied-Lyons weak

Comments by Sir Gordon Borrie, director general of the Office of Fair Trading, hit Allied-Lyons particularly hard, as he questioned some of the long-term supply agreements between national brewers and the pub-owning groups.

Sir Gordon told the AGM of Camra, the real ale lobby group, that long-term supply agreements between brewers and pub retailing companies were becoming an alternative tie and that the agreement between Foster's, brewer of Courage in the UK, and Grand Metropolitan should not be seen as a precedent for seven-year supply agreements.

Analysts said these remarks appeared to be specifically aimed at the Allied-Lyons deal under which it has kept a 60 per cent beer supply agreement in pubs owned by Brent Walker. Allied shares fell 12 to 612p.

Whitbread "A" lost 6 to 425p in sympathy. Whitbread is believed to be less advanced than Bass in meeting the Monopolies and Mergers Commission ruling on brewing ties. Bass gained 12 to 600p.

Construction group John Mowlem rose 13 to 148p despite a crash in 1991 profits to £3m from £34m. The market was looking for around £10m, but the shares were marked higher after Mowlem said it was withdrawing completely from commercial property development activities.

Higgs & Hill, with results due tomorrow, gained 8 to 82p in sympathy, while building materials company Redland climbed 14 to 538p on hopes of an early end to the recession and speculation about lower interest rates.

Worries about Barclays' exposure to Olympia & York's financial problems on the day that the Canadian property group was expected to try and persuade its lenders to reschedule more than £2bn worth of debts prompted the shares to drop 12 to 315p, the biggest percentage fall of any of the FT-SE 100 companies yesterday.

Turnover in Scottish Power, was a very active 18m shares, with the price rising 2 to 98p. Scot Hydro gained 2 to 100p, taking the shares up 22p since the election result and back to their partly paid flotation price. The Electricity Package slipped £30 to £3010.

Turnover in Rolls-Royce surged to 8.9m and the shares initially jumped 7 after it was reported that Hong Kong airline Cathay Pacific was about to place a £300m order.

The shares closed 3 up at 170p.

Trafalgar House moved 7 forward to 132p, after its J. Brown subsidiary won a £350m power station contract.

Turnover in Queens Moat Houses reached 10m, as the shares fell 2 to 80p. Dealers believe that close examination of the sector after Friday's buying spree revealed the company's earnings recovery to be lower than that of its rivals.

BT put on 6 to 341 in high turnover of 9.2m, as investors continued to buy stock in anticipation of "better times", now that the threat of a Labour government and greater regulation has faded. Reassurance about the company's prospects and outlook following the series of analysts' visits lifted Cable & Wireless 13 to 558p. US buying continued to lift Vodafone Group. The shares gained 7 to 356p. Kidder Peabody Runyon of the US reiterated its buy recommendation on the stock.

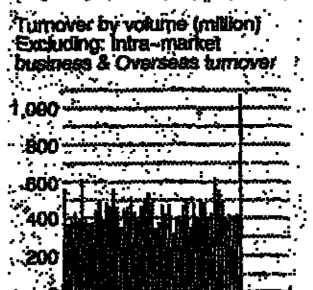
Defensive chemicals companies lost ground in the wake of the general election. BOC and Allied Colloids, which are both big dollar earners, fell 13 to 663p and 7 to 203p respectively.

Thames Television improved 7 to 168p after an announcement that it was jointly planning the development of a new satellite television programme service with BBC Enterprises.

FT-A All-Share Index

Equity Shares Traded

Turnover by volume (million) Excluding: intra-market business & Overseas turnover



Source: Datastream

MARKET REPORTERS:
Peter John,
Joel Kibazo,
Colin Millham.

■ Other market statistics, Page 24.

FINANCIAL TIMES STOCK INDICES

	Apr 13	Apr 10	Apr 9	Apr 8	Apr 7	Year Ago	1992 High	1992 Low	Since Compilation High	Since Compilation Low
Government Secs	88.61	88.19	86.00	85.61	85.37	85.17	88.61 (13/4)	85.11 (1/4)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	102.34	101.75	99.44	99.11	98.85	94.75	102.34 (13/4)	97.15 (2/1)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share●	2005.5	2001.1	1885.7	1854.7	1865.3	2003.6	2006.6 (10/3)	1851.4 (3/4)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	115.7	114.5	112.3	111.6	118.2	140.0	180.6 (10/1)	111.5 (8/4)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2591.0	2572.6	2436.4	2393.2	2404.2	2542.8	2591.0 (13/4)	2382.7 (3/4)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1194.61	1187.54	1149.42	1145.47	1154.11	1176.39	1200.08 (4/3)	1120.52 (8/1)	1200.08 (4/3/92)	938.62 (16/1/91)
●Ord. Div. Yield	4.49	4.49	4.74	4.80	4.77	4.83				
●Earning Yld % (full)	6.54	6.55	6.91	7.00	6.96	8.80				
●P/E Ratio(Net)(☆)	19.16	19.13	18.14	17.92	18.03	13.98				
SEAQ Bargns 5.00pm	40,531	64,444	26,426	24,941	23,125	31,604				
Equity Turnover(£m)†	-	2,591.9	870.8	832.3	968.7	804.80				
Equity Bargains†	-	68,937	28,542	27,993	27,656	32,122				
Shares Traded (ml)†	-	1,077.5	419.1	411.4	414.4	362.4				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35. Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 17.95

Ordinary Share Index, Hourly changes — Day's High 2022.0 — Day's Low 1999.3

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1999.3	2018.1	2017.1	2005.4	2008.3	2005.7	2004.5	2004.7	2006.2

FT-SE 100, Hourly changes — Day's High 2606.5 — Day's Low 2570.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2570.9	2596.0	2600.5	2591.3	2593.3	2590.1	2588.4	2588.4	2591.4

FT-SE Eurotrack 200, Hourly changes — Day's High 1199.62 — Day's Low 1192.49

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1199.10	1198.59	1196.32	1195.06	1194.97	1193.83	1193.77

GILT EDGED ACTIVITY

Indices*	Apr 10	Apr 9
Gilt Edged Bargains	234.8	94.8
5 - Day average	118.9	89.0

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share index: Tel. 0891 123001 Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
AOT	6	495	-6	Comm. Union	736	425	-4	Lucas	4,200	127	-1	Shell Transport	3,600	485	+3
ASDA Group	10,000	31½		Cookson	1,409	138	-1	MB Caradon	1,700	252	-6	Siebe	280	644	+12
Abbey National	2,800	302	+7	Courtaulds	987	544	+1	MEPC	1,000	292	+6	Slough Ests	938	184	+3
Albert Fisher	1,800	71	-1	Dalgety	362	388	+1	Manweb	386	359	-3	Smith (W.H.) A	595	489	+8
Allied-Lyons	4,900	622	-11	De La Rue	317	562	-2	Marks & Spencer	4,000	330	+5	Smith & Nephew	3,000	158	+½
Amstrad	1,300	36	+1	Dixons	5,400	239	+3	Midland Bank	10,000	372	+16	SmKl Beecham	1,600	875	+6
Anglian Water	2,300	418	+5	ECC Group	918	369	-6	Midlands Elect.	1,200	291	+1	SmKl Beecham Uts.	71	3968	+8
Argos	654	287	+6	Eastern Elect.	1,000	267	+1	NFC	1,400	254	+2	Smiths Inds	1,500	298	+3
Argyll Group	3,100	344	+5½	East Midland Elect.	1,600	270	-6	NatWest Bank	5,200	310	-1	Southern Elect.	640	260	-3
Arjo Wiggins	2,900	264	+10	Enterprise Oil	585	408	+10	National Power	2,700	219	-3	South Wales Elect.	984	324	-9
Ass. Brit. Foods	142	450	+3	Eurotunnel Units	679	386	-14	Next	1,800	80	-2	South West Water	1,700	381	-2
Ass. Brit. Ports	384	376	+7	FKI	105	68½	-½	North West Water	4,800	415	+5	South West. Elect.	1,200	304	-8
BAA	2,700	591	+4	Fisons	3,500	362	-4	Northern Elect.	565	303	-6	Southern Water	1,100	379	-5
BAT Inds	2,100	713	+3	Forte	3,000	247	+4	Northern Foods	665	578	+9	Standard Chartd.	900	467	-4
BET	3,200	127	+1	Gen. Accident	883	435	-5	Norweb	960	323	-6	Storehouse	2,600	121	+3
BICC	3,400	323	-3	General Elect.	6,300	213½	+3½	Pearson	1,300	834	-9	Sun Alliance	4,200	262	-4
BOC	1,400	663	-13	Glaxo	1,300	788	+6	P & O	2,600	445	+12	T&N	2,100	133	+1
BPB Inds	1,300	165	+5	Glynwed Int.	119	242	+1	Pilkington	5,500	143	+1	TI Group	309	685	+11
BTR	3,600	441	-2	Granada	1,300	258	+2	PowerGen	4,700	229	-4	TSB	2,500	133	+1
Bank of Scotland	2,300	112		Grand Met.	1,700	948	+5	Prudential	3,700	237	-4	Tarmac	3,300	135	-2
Barclays	8,900	315	-12	GUS A	480	1548	+22	RHM	2,600	271	+5	Tate & Lyle	1,100	389	-5
Bass	3,800	599	+11	GRE	2,600	128		RMC	472	584	+11	Taylor Woodrow	1,400	120	+4
Berisford Int.	143	18		GKN	1,300	368	-4	RTZ	2,100	568		Tesco	5,600	270	+6
Blue Circle	1,900	278	-1	Guinness	2,600	601	+2	Racal	5,000	60½		Thames Water	2,700	410	-6
Booker	347	440	+6	Hammerson 'A'	72	332	+2	Rank Org.	856	743	+8	Thorn EMI	1,500	815	+11
Boots	2,200	456	+6	Hanson	11,000	229	+2	Reckitt & Colman	1,000	674	+9	Tomkins	873	458	
Bowater	838	753	+5	Hanson Warrants	2,400	24	+½	Redland	3,400	538	+14	Trafalgar House	3,100	131	+7
Brit. Aerospace	3,500	340	+2	Harrisons Crosfield	2,700	132	+3	Reed Intl.	251	572	+7	Unigate	289	325	+6
British Airways	4,400	267	+3	Hillsdown	1,000	175	-2	Rentokil	835	403	+14	Unilever	3,400	896	+3
British Gas	14,000	263	+5	IMI	480	250	+3	Reuters	893	1114	-18	United Biscuits	2,700	427	+2
British Land	177	376	+4	ICI	1,300	1315	+7	Rolls Royce	9,400	170	+3	Utd. Newspapers	2,500	399	+11
BP	8,600	251	+1	Inchcape	933	477	+6	Rothmans	388	1102	+12	Vodafone	4,000	356	+7
British Steel	3,600	70		Kingfisher	3,400	550	+20	Ryl Bk Scotland	1,800	168		Warburg (SG)	594	554	+16
British Telecom	9,200	341	+6	Kwik Save	675	553	-3	Royal Insurance	2,300	196	-4	Wellcome	905	1131	+10
Br. Telecom New	14,000	122¼	+3½	Ladbroke	2,200	239	+5	Saatchi	1,000	16½		Welsh Water	1,100	434	+4
Bunzl	6,200	102	+5	Land Securities	719	392	+6	Sainsbury	2,300	414	+3	Wessex Water	790	455	-1
Burmah Castrol	321	555	+6	Laporte	529	586	+13	Scottish & New.	1,600	470	+2	Whitbread 'A'	2,800	425	-6
Burton	4,400	41½		Legal & General	1,100	380	+3	Scot. Hydro-Elect.	4,800	100	+2	Williams Hldgs.	1,400	335	+5
Cable & Wire.	2,200	558	+13	Lloyds Abbey	619	329	+8	Scottish Power	18,000	98	+2½	Willis Corroon	977	256	+2
Cadbury Schweppes	2,700	456	-1	Lloyds Bank	3,000	385	-1	Sears	12,000	107	+6	Wimpey	2,300	166	-3
Calor Group	1,400	182	+6	LASMO	1,000	194	+2	Sedgwick	1,200	205	-9	Wolseley	471	433	+2
Carlton Comms.	466	573	+5	London Elect.	1,100	309	+3	Seeboard	576	304	-4	Yorkshire Elect.	870	347	
Coats Viyella	1,700	216	+4	Lonrho	1,000	80	-2	Severn Trent Water	4,400	378	-2	Yorkshire Water	322	428	-4

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

POLITICAL worries in Russia curtailed an early advance in stock index futures, writes Joel Kibazo.

The June contract on the FTSE started the session weak at 2609. But buyers soon showed their hand when June quickly moved forward reaching 2,645 by 9.30 am. This proved to be the high point of the session; thereafter "a badly handled order" sent June tumbling.

The negative mid-morning news out of Russia served to bring out more sellers. The afternoon was said to have been dull, characterised by two-way trading, and with a firm Wall Street said to have had no influence on business.

June closed at 2629, up 27 on the previous session and around 6 points above its estimated fair value premium to cash of about 22. Turnover was a healthy 8330 contracts.

Business in the traded options market was buoyant, with turnover reaching 49,892 lots. The FT-SE option was particularly active. It traded 15,472 contracts. Hanson was the busiest stock option and had a day's total of 4,349 lots. This was followed by the Euro FT-SE option at 2402. Some 2,335 lots were dealt in Midland Bank, and this was followed by National Power, in which 2,014 changed hands.

NEW HIGHS AND LOWS FOR 1992

NEW HIGHS (227).
BRITISH FUNDS (38) Tr. 8½pc 1994, Tr. 8¾pc 1997, Tr. 6¾pc '95-98, Ex. 9¾pc 1998, Ex. 12pc 1998, Tr. 9½pc 1999, Ex. 12¼pc 1999, Cv. 10¼pc 1999, Tr. 10½pc 1999, Cv. 9pc 2000, Tr. 13pc 2000, Tr. 10pc 2001, Tr. 9¾pc 2002, Do. C. Tr. 10pc 2003, Tr. 11½pc '01-04, Fd. 3½pc '99-04, Cv. 9½pc 2004, Cv. 9½pc 2005, Tr. 12½pc '03-05, Tr. 8pc '02-06, Tr. 11¾pc '03-07, Tr. 8½pc 2007, Do. A, Tr. 13½pc '04-08, Tr. 9pc 2008, Tr. 8pc 2009, Cv. 9pc 2011, Do. B, Tr. 5½pc '08-12, TR. 7¾pc '12-15, Ex. 12pc '13-17, Cons. 4pc, War Ln. 3½pc, Cv. 3½pc '61 Aft., Tr. 3pc '66 Aft., Cons. 2½pc, Tr. 2½pc, OTHER FIXED INTEREST (11) African Dev. 11¼pc 2010, Asian Dev. 10¼pc 2009, Birmingham 11½pc 2012, Hydro Quebec 15pc 2011, Int-Amer. 12½pc 2003, Do. 9¾pc 2015, Leeds 13½pc 2006, Liverpool 3½pc Irred., LCC 3pc '20 Aft., Manchester 11½pc 2007, Met. Water 3pc B, AMERICANS (1) Abbott Labs., BANKS (3) Bank of Scot. 9¼pc Prf., Do. 9¾pc Prf., Midland, BREWERS & DISTILLERS (1) Bass, BUILDING MATERIALS (12) BPB, Blue Circle, Do. 7⅝pc Prf., Hepworth, Ibstock Johnsen, Pilkington, Redland, Rockel, Spring Ram, Steetley, Wilshaw, Worcester, CHEMICALS (4) British Vita, European Colour, Halstead (J), Porvair, CONGLOMERATES (3) Bodycote, Hanson Wrrnts., Harrisons & Crosfield, CONTRACTING & CONSTRUCTION (11) Barratt Dev., Bryant, Edmond, Eve, Hay & Croft, Laing (J), Do. A, Lawrence (W), Mowlem (J), Tilbury Douglas, Wimpey (G), ELECTRICALS (3) Arcolectric A, Pifco, Do. A, ELECTRICITY (2) Manweb, Yorkshire, ELECTRONICS (8) Acal, Diploma, Farnell, MTL Instrs., Radius, Sage, Soundtracs, Tunstall, ENGINEERING AEROSPACE (2) Brit. Aerospace, Rolls-Royce, ENGINEERING GENERAL (7) Barry Wehmiller, Bogod A, Brammer, Concentric, FKI, GEI, Weir, FOOD MANUFACTURING (2) Nichols (V), Unigate, FOOD RETAILING (4) Geest, Morrison (Wm), Do. 5¼pc Prf., Shoprite, HEALTH & HOUSEHOLD (2) Jeyes, Proteus, HOTELS & LEISURE (10) Barr & WAT A, City Centre Rests., Compass, Forte, Granada 7½p Prf., Ramsden's (H), Rank Org., Do. 8¼pc Prf., Simpsons of Cornhill, Thorn EMI, INSURANCE COMPOSITE (1) USF & G, INSURANCE LIFE (1) Lloyds Abbey, INVESTMENT TRUSTS (32) Aberforth Split Level Cap., Do. Units, BZW Cnv., Brit. Empire Sec. Wrrnts., Brit. Inv., City & Comm. Cap., City of Oxford Zero Prf., Drayton Blue Chip Zero Prf., Dunedin Inc., EFM Inc. Zero Prf., Edinburgh Inv., Elect. & Gen., Fidelity Euro. Values Wrrnts., Flmg. Fledgeling, Flmg. Intl High Zero Prf., Flmg. Mercantile, Gartmore Amer. Secs Zero Prf., Greenfriar, Jove Inc., Majedie, Melville St. Wrrnts., Merlin Green Wrrnts., Murray Split Cap. Zero Prf., North Brit. Canadian, River Plate Inc., Do. Zero Prf., Scot. Amer., St. Davids Zero Prf., TR Tech. Stppd. Prf., Temple Bar, USDC, Witan Wrrnts., MEDIA (6) Carlton Comms Prf., Pearson, Reed Intl., Utd. News., [illegible]

FT-ACTUARIES SHARE INDICES

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Monday April 13 1992 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1992 to date	Fri Apr 10 Index No.	Thu Apr 9 Index No.	Wed Apr 8 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (179)	836.04	+0.8	7.40	5.65	17.65	10.84	829.29	784.93	773.34	873.73
2	Building Materials (22)	1043.18	+1.3	6.13	6.07	22.78	10.30	1029.43	948.57	926.52	1128.87
3	Contracting, Construction (28)	951.26	+1.7	6.92	6.60	22.14	9.16	934.91	853.97	837.75	1375.71
4	Electricals (8)	2461.15	....	7.52	5.99	17.29	20.97	2459.99	2367.10	2363.57	2464.86
5	Electronics (29)	1848.96	+1.5	9.73	4.59	13.03	3.46	1821.88	1763.95	1738.02	1847.74
6	Engineering-Aerospace (7)	369.28	+1.2	9.83	7.01	12.96	9.52	364.80	345.03	336.73	463.44
7	Engineering-General (44)	499.76	+1.6	8.41	4.72	14.75	6.61	491.77	470.95	470.42	461.66
8	Metals and Metal Forming (8)	324.59	+0.5	1.92	10.67	-	0.32	322.93	315.71	313.62	491.91
9	Motors (14)	333.12	-0.3	7.87	7.06	16.70	6.43	334.01	307.88	300.55	353.39
10	Other Industrial Materials (19)	1712.80	-0.1	6.94	4.84	17.62	32.10	1714.39	1634.61	1613.01	1555.00
21	CONSUMER GROUP (188)	1692.09	+0.8	7.15	3.36	17.14	11.64	1678.67	1591.48	1565.23	1475.84
22	Brewers and Distillers (24)	2141.03	+0.3	7.54	3.40	15.96	16.70	2135.62	1973.56	1938.05	1790.47
25	Food Manufacturing (17)	1258.50	+0.4	8.71	4.17	14.32	17.10	1253.79	1218.49	1212.43	1209.60
26	Food Retailing (18)	2721.27	+1.2	8.47	3.21	15.27	6.04	2688.38	2586.94	2554.83	2842.16
27	Health and Household (24)	4321.93	+0.6	6.33	2.44	18.05	23.22	4295.77	4153.56	4072.09	3251.43
29	Hotels and Leisure (20)	1367.29	+1.2	6.63	4.99	19.15	15.37	1350.71	1247.18	1223.42	1355.99
30	Media (25)	1559.09	-0.1	6.19	3.52	20.15	13.93	1560.97	1478.63	1475.98	1519.07
31	Packaging, Paper & Printing (17)	782.65	+1.9	6.85	4.22	17.24	9.89	767.70	728.85	722.18	679.74
34	Stores (33)	1084.45	+1.9	6.81	3.34	19.51	2.45	1063.92	988.79	958.86	934.99
35	Textiles (10)	705.17	+1.1	7.41	4.42	16.66	2.94	697.18	648.76	642.37	542.56
40	OTHER GROUPS (116)	1259.06	+0.8	9.61	5.24	13.11	13.44	1249.48	1164.37	1142.57	1223.94
41	Business Services (17)	1362.26	+1.5	7.34	4.64	17.40	11.81	1342.04	1260.00	1233.67	1218.71
42	Chemicals (22)	1508.16	+0.1	6.86	4.82	17.86	23.59	1507.14	1456.15	1443.46	1262.94
43	Conglomerates (11)	1388.50	+0.9	10.25	7.25	11.93	9.10	1376.42	1311.92	1281.93	1546.65
44	Transport (14)	2471.48	+0.9	5.11	4.60	26.34	26.14	2448.88	2269.38	2256.85	2196.38
45	Electricity (16)	1242.47	-0.6	14.14	5.98	9.22	17.21	1250.24	1105.96	1074.43	1184.05
46	Telephone Networks(4)	1411.45	+1.9	11.11	4.44	11.76	16.02	1385.09	1305.38	1279.03	1464.46
47	Water(10)	2694.94	-0.1	15.83	5.90	6.96	0.00	2696.84	2219.82	2140.95	2536.12
48	Miscellaneous (22)	1931.70	+0.7	6.21	5.10	21.28	20.93	1918.73	1838.71	1809.17	1918.56
49	INDUSTRIAL GROUP (483)	1340.03	+0.8	7.96	4.36	15.73	12.27	1329.50	1253.39	1232.26	1251.96
51	Oil & Gas (17)	2048.01	+1.0	7.62	6.94	17.31	41.53	2027.24	1995.71	1972.00	2456.65
59	500 SHARE INDEX (500)	1407.93	+0.8	7.93	4.62	15.87	14.49	1396.54	1322.49	1300.89	1353.92
61	FINANCIAL GROUP (87)	703.36	....	-	6.44	-	15.02	703.06	651.59	638.87	845.29
62	Banks (9)	897.84	....	5.28	6.08	30.04	22.89	897.78	826.95	807.76	949.85
65	Insurance (Life) (6)	1439.96	-0.5	-	6.18	-	43.02	1447.73	1312.02	1263.36	1578.32
66	Insurance (Composite) (7)	466.82	-1.1	-	7.45	-	9.16	471.93	425.85	419.96	701.88
67	Insurance (Brokers) (10)	932.44	-1.0	8.26	7.19	15.98	20.48	941.63	914.29	891.99	1197.16
68	Merchant Banks (7)	459.69	+2.4	-	4.51	-	4.25	448.87	411.89	406.47	424.22
69	Property (33)	632.44	+1.2	9.09	7.18	15.06	3.43	624.87	613.98	613.80	1021.70
70	Other Financial (15)	239.72	+1.2	8.37	7.21	15.71	3.12	236.81	221.62	221.21	288.69
71	Investment Trusts (70)	1183.48	-0.1	-	3.75	-	10.96	1184.35	1117.18	1112.66	1220.66
99	ALL-SHARE INDEX (657)	1240.85	+0.7	-	4.80	-	14.27	1232.15	1163.91	1144.85	1229.26

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Year ago
FT-SE 100 SHARE INDEX‡	2591.0	+18.4	2606.5	2570.9	2572.6	2436.4	2393.2	2404.2	2400.9	2542.8

FIXED INTEREST

	PRICE INDICES	Mon Apr 13	Day's change %	Fri Apr 10	Accrued interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (27)	121.84	+0.17	121.63	1.48	4.04
2	5-15 years (25)	137.68	+0.49	137.70	1.58	4.78
3	Over 15 years (9)	149.64	+0.75	148.53	2.47	2.78
4	Irredeemables (6)	167.71	+0.91	166.20	3.92	1.50
5	All stocks (67)	135.31	+0.42	135.11	1.68	4.36
	Index-Linked					
6	Up to 5 years (2)	169.21	+0.10	169.04	0.15	1.83
7	Over 5 years (9)	145.88	+0.13	146.12	0.49	1.64
8	All stocks (11)	147.96	+0.13	148.15	0.44	1.65
9	Debs & Loans (62)	119.82	+5.03	114.09	2.28	3.41

	AVERAGE GROSS REDEMPTION YIELDS		Mon Apr 13	Fri Apr 10	Year ago (approx.)
	British Government				
1	Low	5 years	8.26	8.39	9.16
2	Coupons	15 years	9.02	9.10	9.62
3	(0%-7¾%)	20 years	9.02	9.10	9.74
4	Medium	5 years	9.32	9.39	10.24
5	Coupons	15 years	9.07	9.15	10.04
6	(8%-10¾%)	20 years	9.04	9.13	9.99
7	High	5 years	9.57	9.64	10.38
8	Coupons	15 years	9.17	9.25	10.21
9	(11%-)	20 years	9.11	9.19	10.15
10	Irredeemables	†	9.21	9.30	9.94
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.94	3.96	3.74
12	Inflation rate 5%	Over 5 yrs.	4.52	4.52	4.10
13	Inflation rate 10%	Up to 5 yrs.	3.30	3.31	2.83
14	Inflation rate 10%	Over 5 yrs.	4.34	4.35	3.90
15	Debs &	5 years	10.61	11.39	11.87
16	Loans	15 years	10.42	11.11	11.63
17		25 years	10.33	10.92	11.42

‡Opening index 2570.9; 9 am 2596.0; 10 am 2600.5; 11 am 2591.3; Noon 2593.3; 1 pm 2590.1; 2 pm 2588.4; 2.30 pm 2589.7; 3 pm 2588.4; 4.10 pm 2591.5; (a) 9.31am (b) 8.30am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
8pc 1992 ‡‡		99½xd	—	99½	99⅛	8.02	–
10½pc Cv 1992‡‡		100xd	—	100⅛	99⅞	10.50	–
3pc 1992		99⅛	—	99⅛	97½	3.02	7.67
Exch 12¼pc 1992		100½	—	101¼	100½	12.16	9.83
13½pc 1992		101½	—	102¼	101⅛	13.30	9.62
Treas 8¼pc 1993		98½	—	98½	97½	8.34	9.53
10pc 1993‡‡		100½xd	—	100½	99½	9.97	9.63
12½pc 1993‡‡		103⅛	+⅛	103½	101½	12.11	9.71
Funding 6pc 1993‡‡		96¼	+⅛	96⅛	95⅛	6.23	8.86
Treas 13¾pc 1993‡‡		105⅞	+⅛	105½	104⅛	12.99	9.60
8½pc 1994		98⅛	+⅛	98⅛	96¾	8.62	9.38
14½pc 1994‡‡		109⅛	+⅛	109¼	106½	13.40	9.65
Exch 13½pc 1994		107⅛xd	+⅛	107½	105⅛	12.60	9.57
Treas. 10pc Ln. 1994‡‡		100½	+⅛	101⅛	99½	9.91	9.46
Exch 12½pc 1994		106	+⅛	106⅛	103½	11.79	9.56
Treas 9pc 1994‡‡		98½xd	+⅛	98⅛	96⅝	9.09	9.44
12pc 1995		105½	+⅛	106⅜	103⅛	11.32	9.48
Exch 3pc Gas 90-95		89½xd	—	89½	88¼	3.35	6.87
10¼pc 1995		102⅛	+⅛	102½	99⅛	10.04	9.49
Treas 12¾pc 1995‡‡		109⅝xd	+⅛	110⅛	106⅝	11.63	9.52
14pc 1996		113⅝	+⅛	113½	110⅛	12.35	9.67
9pc 1992-96‡‡		98½	+⅛	100	96⅛	9.05	9.16
15¼pc 1996‡‡		118¼xd	+⅛	119⅛	114½	12.98	9.71
Exch 13¼pc 1996‡‡		112xd	+⅛	112⅛	108½	11.83	9.64
Conversion 10pc 1996		102¼xd	+¼	102⅛	98½	9.78	9.38
Treas 13¼pc 1997‡‡		113½	+⅝	114⅛	110⅛	11.64	9.64
Exch 10½pc 1997		104½	+½	104½	100½	10.05	9.34
Five to Fifteen Years							
Treas 8¾pc 1997‡‡		97⅞	+⅛	98	94	8.94	9.25
Exch 15pc 1997		122½xd	+½	122½	118⅛	12.25	9.68
9¾pc 1998		101½	+½	102	97½	9.58	9.31
Treas 6¾pc 1995-98‡‡		91½xd	+½	91½	86½	7.38	8.73
15½pc '98‡‡		128	+⅝	128⅝	123⅛	12.11	9.58
Exch 12pc 1998		112⅜xd	+½	112½	107½	10.68	9.45

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992 high	1992 low	Yield Int.	Yield Red.
Treas 9½pc 1999‡‡		101½	+⅛	101½	97⅛	9.38	9.19
Exch 12¼pc 1999		114⅛	+⅛	114½	109½	10.74	9.44
Treas 10½pc 1999		106⅛xd	+½	106½	101½	9.89	9.31
Conversion 10¼pc 1999		105⅛	+⅛	105½	100½	9.76	9.31
9pc 2000‡‡		99⅛	+⅛	99½	94⅝	9.06	9.12
Treas 13pc 2000		119¾	+⅞	120⅛	114½	10.88	9.49
10pc 2001		104⅞	+½	105½	99½	9.54	9.18
14pc '98-01		119½	+⅞	120⅛	115½	11.72	9.69
9¾pc 2002		104⅛	+½	104½	98⅛	9.37	9.14
9¾p 2002 C		104	+½	104⅛	98⅛	9.77	10.00
10pc 2003		106⅛	+½	106½	100⅛	9.43	9.14
Treas 11½pc 2001-04		112½	+½	113⅛	107⅛	10.22	9.39
Funding 3½pc '99-04		64¼	+½	64½	59½	5.45	8.17
Conversion 9½pc 2004		102½xd	+½	103½	98½	9.24	9.13
9½pc 2005		102½xd	+½	103½	95½	9.23	9.10
Treas 12½pc 2003-05		123¼	+½	123½	116⅛	10.14	9.21
8pc 2002-06‡‡		91⅛	+½	91½	85½	8.77	9.11
Over Fifteen Years							
Treas 11¾pc 2003-07		117⅛	+½	117½	110½	10.03	9.20
8½pc 2007 ‡‡		95⅛	+½	95⅛	89½	8.89	9.05
8½pc 2007 A		95½	+½	95⅛	89½	8.90	9.05
13½pc '04-08		130¼	+⅞	131½	123½	10.38	9.20
9pc 2008 ‡‡		99½	+½	100½	93½	9.02	9.02
8pc 2009		91⅛	+½	91⅝	85⅛	8.79	9.02
Conv 9pc Ln 2011 ‡‡		98½	+¼	100⅜	93½	9.02	9.03
9pc 2011 B		99¼	+¼	100½	93½	9.02	9.03
Treas. 9pc 2012		46⅛	—	50¼	44½	9.43	9.02
Treas 5½pc 2008-12‡‡		67⅝	+½	68⅛	62⅞	8.13	8.99
7¾pc 2012-15‡‡		87½	+½	87½	81½	8.87	9.07
Exch 12pc '13-'17		127½	+½	128⅛	120⅛	9.41	9.07
Undated							
Consols 4pc		42⅛	+½	43	39⅞	9.36	–
War Loan 3½pc‡‡		38⅛	+⅛	38⅛	35⅛	9.14	–
Conv 3½pc '61 Aft		61¼	+⅛	62	59	5.67	–
Treas 3pc '66 Aft		31⅝	+⅛	31⅞	29½	9.49	–
Consols 2½pc		26½	+⅛	27⅛	24½	9.28	–
Treas. 2½pc		26¼	+⅛	27	24½	9.35	–

BRITISH FUNDS - Cont.

Index-Linked	Notes (b)	Price £	+ or -	1992 high	1992 low	Yield Int. (1)	Yield Red. (2)
Treas. 2pc '94	(102.9)	124¼xd	+⅛	124½	122¼	2.54	3.89
2pc '96	(67.9)	180⅛	+⅛	181½	176⅛	3.28	3.94
2½pc '01	(78.3)	144⅛	+⅛	147⅛	143	4.08	4.42
2½pc '03	(78.8)	139½xd	+⅛	142½	138⅛	4.17	4.47
2pc '06	(69.5)	146½	+⅛	144	139⅛	4.38	4.53

To the holders of Warrants attached to

7% Deutsche Mark Bearer Bonds with Warrants of 1989/1996
10% US-Dollar Bearer Bonds with Warrants of 1989/1996
5¾% Swiss Franc Bearer Bonds with Warrants of 1989/1996

of Allianz Finance B.V.,

Amsterdam

In March 1992 the share capital of Allianz Aktiengesellschaft Holding was increased by issuing new shares granting a preemptive right to shareholders. As a consequence of this capital increase the Subscription Price for one share of DM 50 nominal value of Allianz Aktiengesellschaft Holding to be issued upon exercise of the Subscription Rights represented by the Warrants originally attached to the Bonds mentioned hereafter shall be reduced in accordance with Section 7 of the respective Conditions of Warrants. As from April 15, 1992 (effective date) the Subscription Price is DM 1,412.

Berlin/Munich
April 1992

Allianz
Aktiengesellschaft Holding

LEGAL NOTICES

Notice of First Meeting of Creditors
Company No: 2635977
Registered in England and Wales
CARLTON STONE AND CLADDING LIMITED
Principal place of business: Oaks Lane, Hoyle Mill, Barnsley
NOTICE IS HEREBY GIVEN, pursuant to Section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above-named company will be held at The Ardsley Moathouse, Doncaster Road, Ardsley, Barnsley, South Yorkshire, S71 5EH on 28 April 1992 at 10.30 am for the purposes mentioned in Sections 99 to 101 of the said Act, viz:
(a) to have laid before it a statement of the affairs of the company;
(b) to nominate one or more insolvency practitioners as liquidator or liquidators;
(c) if thought fit, to appoint a liquidation committee.
(d) and to pass any other resolution necessary.
A list of the names and addresses of the company's creditors may be inspected free of charge at 43 Temple Row, Birmingham, B2 5JT between 10.00 am and 5.00 pm on 24 April 1992 and 27 April 1992.
Creditors wishing to vote at the meeting must (unless they are individual creditors attending in person) lodge their proxies at 43 Temple Row, Birmingham, B2 5JT no later than 12 noon on 27 April 1992. Please note that the original proxy signed by or on behalf of the creditor must be lodged at the address mentioned; photocopies (including faxed copies) are not acceptable.
Unless there are exceptional circumstances, creditors will not be entitled to vote unless their proofs have been lodged and admitted for voting purposes. While proofs may be lodged at any time before voting commences, creditors intending to vote at the meeting are requested to send them with their proxies. Unless they surrender their security, secured creditors must give particulars of their security and its value if they wish to vote at the meeting.
DATED - 2 April 1992
BY ORDER OF THE BOARD
NOTES 1. Creditors are requested to supply details of their claims with their proxies in order to assist with the preparation of the directors' statement of affairs.
2. A proof of debt is a document stating the amount of the creditor's claim and may (subject to Rule 4.78) be in any form.

AMERICANS

Notes	Price £	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs	35 13/16xd	+2 1/16	36 13/16	34	15,709	1.8
♥Allegheny & W	282p	+5	335p	226p	138.2	6.4
Amdahl	815p	-32	1165p	815p	984.6	0.7
Amer Cyanamid	35 1/8	+3/4	37	32 1/4	3,275	2.4
Amer Express	12 5/8xd	+7/32	13 7/8	10 13/16	5,961	4.5
Amer T & T	23 1/4xd	+1/4	24	20 1/8	31,399	3.1
Ameritech	33 1/8	+5/8	38 11/16	32 1/2	14,612	5.9
BankAmerica	23 3/8xd	+1 3/8	26 5/8	19 1/16	5,893	3.2
Bankers NY	29 3/8xd	+7/8	37 1/4	28 3/8	2,452	9.2
Bell Atlantic	23 3/8	+1/4	28 3/4	23 1/8	9,192	6.3
BellSouth	25 1/4	+1/4	28 1/8	25	12,289	8.2
♥Bethlehem Steel	7 7/16xd	+1/16	9 7/8	7	577.8	–
Bowater	1297pxd	-16	1679p	1078p	465.9	5.2
CPC	49 1/4xd	+1 1/2	51 3/8	45 1/16	3,722	2.7
California Engy	686p	—	833p	646p	121.3	–
Campbell Soup	19 1/4	+1/4	23 3/16	19	4,839	2.3
Chase Manhattan	12 7/8xd	+3/4	14 11/16	9 1/8	1,810	5.2
Chrysler	9 11/16xd	+3/8	10 5/8	6 1/4	2,904	3.4
Citicorp	8 7/8xd	+7/16	10 5/16	5 3/4	3,073	–
Colgate-Palm	27 1/16xd	+13/16	28 7/8	25 1/4	4,249	2.2
Cont'l Bank	971p	+18	997p	439p	981.2	3.5
Dana	21 5/8xd	+1/2	23 1/8	14 3/16	889.0	4.2
Data General	520p	+10	1004p	509p	144.9	–
Deal	21 1/4xd	—	24 1/8	19 3/8	843.7	3.0
Dun & Brad	30 1/2	+3/8	33 1/2	28 7/8	5,442	4.0
Eaton	43 5/8	+1 1/4	45 1/2	32 1/2	1,486	2.8
Echlin	9 3/4xd	+3/16	11	7 3/8	544.5	4.0
FPL	18 13/16xd	+7/16	19 13/16	18 1/8	3,210	7.1
Fluor	22 3/4xd	+1 1/4	27	21	1,804	1.0
Ford Motor	22 5/8xd	+13/16	23 7/16	15	18,710	2.5
Gen Elect	43 1/8xd	+2 1/8	45 1/4	40 1/16	37,285	2.7
♥General Host	489p	+17	555p	360p	–	4.1
Gillette	27 3/4xd	+7/8	29 7/8	26 5/8	6,667	1.3
Hasbro h	14 1/2	—	18	12 3/8	1,247	0.5
Honeywell	40 3/4xd	+1 1/8	43	34 1/8	2,845	2.3
Houston Inds	24 1/8	+1/4	24 3/4	23	3,110	6.9
IBM	48 3/4xd	+1 1/4	54 1/2	46 3/4	27,891	5.6
Ingersoll-Rand	34 3/8xd	+2 11/16	38 1/16	28 3/16	1,779	2.2
Lockheed	25 7/8	+3/4	28 1/2	22 1/8	1,608	4.4
Lowe's	2112p	+44	2470p	1631p	789.0	1.5
Merrill Lynch	28 1/4xd	+1/2	30 13/16	27 3/8	2,901	2.0
Morgan (JP)	31 5/8xd	+2 1/16	37 1/2	29 7/16	5,973	3.9
Morris (Philip)	43 3/4xd	+1 3/16	45 3/8	41 1/8	40,504	2.7
NYNEX	40 1/2	+1/2	44 5/8	39 5/8	8,214	6.4
♥Pac Agric	52p	—	52p	28p	–	–
Pall	14 1/4	+1/8	17 13/16	10 7/16	1,250	1.4
Pennzoil	25 7/16xd	+1/16	30 3/4	25 1/8	1,029	6.6
Quaker Oats	28 13/16xd	-1/16	40 3/16	28 13/16	2,162	3.3
Rockwell	13 13/16xd	+1/16	15 13/16	13 7/16	3,129	3.7
Rep NY	22 5/8	—	28 7/16	22 5/8	1,177	2.5
Sears, Roebuck	25 13/16xd	+13/16	28	19 1/16	8,881	4.4
Sthwestern Bell	33 1/2	+1	35 7/8	32 1/8	10,007	4.9
Sun Co	15 1/2xd	+3/32	18 7/8	15 1/8	1,617	6.8
Tenneco	20 5/8xd	+7/32	23 1/8	16 1/2	2,825	4.4
Texaco	33 1/16xd	+1/8	35 1/4	30 11/16	8,612	5.4
Time Warner	56 5/8xd	+2 3/32	62 1/8	46 1/2	5,228	1.0
♥Unilab	459p	—	587p	459p	428.4	–
Utd Tech	30 5/8xd	+1 1/8	31 1/2	27	3,725	3.3
♥Unitech	122p	—	122p	66p	–	–
♥URS Intl. 1c	0 3/4p	—	1 1/4p	0 1/8p	2.38	–
US West	18 7/8	-1/8	21 13/16	18 7/8	7,737	6.3
Varity	744p	+3	885p	632p	185.7	–
Waste Manage	21 5/8xd	+11/16	26	20 13/16	18,223	1.1
Whirlpool	2594pxd	+117	2781p	2021p	1,883	2.4
♥Woolworth	15 3/8	-13/16	18 1/4	14 1/8	2,085	4.0

CANADIANS

Notes	Price £	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's
♥Abbot Energy	2p	—	2p	1 1/4p	–	–
Amer Barrick	1418p	+16	1642p	1376p	1,984	0.3
Bk Montreal	20 7/8	+3/8	23 1/4	20	2,568	5.5
Bk Nova Scot	974p	+40	1178p	932p	1,978	4.8
♥BC Gas	813p	—	870p	760p	–	4.0
BCE	21 5/8	—	24 1/2	21 1/2	6,694	7.2
♥Brascan	786p	+14	957p	774p	849.9	7.1
♥Breakwater	30p	-3	33p	6p	19.1	18.0
Can Imp Bk	1332p	-1	1810p	1332p	2,460	5.3
Can Pacific	812p	+14	930p	788p	2,586	0.3
4pc Deb	36	+1	37	35	16.8	11.1

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING - AEROSPACE

ENGINEERING - GENERAL

ENGINEERING - GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HEALTH & HOUSEHOLD - Cont.

HOTELS & LEISURE

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Notes	Price	+ or -	1992 high	1992 low	Yld Gr's	NAV	Dis or Pm(-)
Scot National Inc	87	+½	107	83½	13.6	—	—
Cap	28	+1	42	12½	—	—	—
Stepped Pf. †	129	+1½	139½	125	5.3	—	—
Zero Div Pf	171	+1½	172½	165½	—	—	—
Warrants	8½	—	9	3½	—	—	—
Scot Value s	58	—	58	48	2.9	61.4	5.5
Sec Alliance †	1190	—	1220	1130	3.9	1351.6	12.0
Second Market s	237xd	—	238	222	6.8	277.6	14.6
Sec Tst Scot †	72½	—	73	63	6.7	72.8	0.4
Select Assets	101	—	102½	96	1.2	129.3	21.8
Eq Ind Seri	115xd	—	116	109	4.9	—	—
Eq Ind SerII	115xd	—	116	109	4.9	—	—
Shires †	220	+1	233	195	10.8	232.2	5.3
11pc Cv Ln '03/04	£108½	—	£112½	£95½	10.9	—	—
Siam Select	85	—	91	85	1.5	102.3	16.0
Warrants	18	—	21	17	—	—	—
Smaller Cos	71	—	73	67	4.7	81.1	12.6
Warrants	11	+1	15	10	—	—	—
Sphere Inc	16½	—	20	14¾	31.3	22.6	27.4
Zero Div Pf	89¾	+1	90¾	65¾	—	—	—
Warrants	6¾	—	8½	0¾	—	—	—
Stratton	158	—	159	147	7.6	184.0	16.6
Sumit	43	—	52	38	3.9	109.0	60.6
TR City of Lon M	109½xd	-½	112	97½	6.8	113.8	3.8
TR Euro Growth s	85	—	89	83	1.6	98.4	13.6
Ptg Sub s	50	—	54	50	2.7	—	—
TR Far East Inc M	89	-1	92	75	6.7	98.2	9.4
Warrants	13	—	15	12	—	—	—

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

INVESTMENT COMPANIES

MEDIA

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIAL MATERIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

STORES - Cont.

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

MINES

MINES - Cont.

Notes	Price	+ or -	1992 high	1992 low	Mkt Cap£m	Yld Gr's
Kells Mins IE	37	—	42	32	0.89	—
Kenmare	4¼	—	6½	3½	4.88	—
Navan Res IE	25	—	26	16	3.35	—
Northgate Expl C$ s	38	—	45⅞	36	4.79	—
North West Expl A$	3	—	6	2	1.01	—
Oryx Gold $	84	—	103	51	—	—
Ovoca Res IE	6	—	11	5½	0.42	—
Plateau	8	—	13	8	3.64	—
RTZ q	588	—	602	469	5,885	4.4
Vizcaya	1	—	3	1	0.58	—
Western & Pac C$	28½	—	39	7	15.6	—
Young Grp	24	+1	110	4	3.01	14.4

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols relating to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield, p/e based on earnings updated by latest interim statement.
- ♦ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other official estimates for 1990-91.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1290 a year for each security shown, subject to the Editor's discretion

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. *Calls charged at 36p/minute cheap rate and 48p/minute at all other times.* To obtain a free Unit Trust Code Booklet ring (071) 925-2128

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: *Charge made on sale of units.* Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. *However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.*

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by *the symbol alongside the individual unit trust name.* The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH. Tel: 071 – 379 – 0444.

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Stewart Ivory Unit Tst Mgrs Ltd (1200)H
45 Charlotte Sq, Edinburgh 031-226 3271

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American ♦	5	285.4	285.4	304.3	+0.5	0.76
(Accum Units) ♦	5	335.9	335.9	358.2	+4.2	0.76
British	5	801.4	818.9	866.3	+10.8	5.77
(Accum Units)	5	1340.9	1379.1	1452.8	+18.1	5.77
European	5	334.8	334.8	355.4	-3.4	1.41
(Accum Units)	5	362.9	362.9	385.3	-3.6	1.41
Japan	5	90.97	90.97	96.86	+0.54	-
(Accum Units)	5	91.70	91.70	97.63	+0.54	-
New Pacific	5	192.8	192.8	206.0	+1.2	1.48
(Accum Units)	5	198.0	198.0	211.6	+1.2	1.48
PEP Apr 8	5	141.6	143.0	151.3	...	4.05
Mngd Equity	5	125.1	126.5	133.8	+1.6	2.80
Mngd Equity Acc	5	132.7	134.2	142.0	+1.7	2.80
Mngd Cash	0	95.60	95.60xd	95.60	+0.05	9.65
(Accum Units)	0	120.1	120.1	120.1	+0.10	9.63
Majority Sstg	1	99.67	99.67xd	100.67	+0.06	9.48
Majority Sstg Acc	1	110.53	110.53	111.64	+0.06	9.48

Storebrand Intl Inv Mngrs Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010

International Mar 13	0	50.61	50.61	51.01	...	2.69

Sun Alliance Unit Tst Mngmt Ltd (1200)F
St Mark's Court, Horsham 0403 232323

Equity	6	615.9	623.8	667.2	+13.4	3.00
North America	6	83.82	83.82	89.65	+1.41	0.39
Far East	6	81.77	81.77	87.50	-0.30	0.67
W'wide Bond	6	47.49	47.49xd	50.52	+0.22	5.74
European	6	67.68	67.68	72.39	-1.04	1.56
Equity Income	6	67.57	67.57	72.27	+0.78	5.78
Portfolio	6	57.75	57.75xd	61.76	+0.17	2.46
Broker Trusts						
Worldwide Growth	6	47.00	47.00	50.00	...	0.23

Sun Life of Canada Unit Mgrs Ltd (1000)H
Basingview, Basingstoke, Hants 0800 525725

American Growth	6	26.63	26.63	28.49	+0.25	0.60
Managed Assets	6	102.87	103.51	110.71	+1.25	4.35
UK Income	6	31.58	31.97	34.20	+0.46	5.19
UK Growth	6	31.75	32.10	34.34	+0.61	4.08
Worldwide Growth	6	23.48	23.48	25.12	+0.06	1.00

Sun Life Trust Mngmt Ltd (1200)H
101, Cannon St, London EC4N 5AD

M & G Securities Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Charibond Apr 10	105.82		+0.3	10.19
(Accum Units)	640.55		+19.9	10.19
NAACIF Apr 7	39.50		...	9.80

Morgan Grenfell Investment Funds Ltd
Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity † Apr 7	123.4	132.3	...	2.05
UK Small Co † Apr 7	484.3	533.4	...	3.76
Fixed Interest † Apr 7	110.8	116.7	...	8.58
US Small Co Apr 7	167.0	178.6	...	0.00
Managed Apr 7	105.3	112.7	...	3.49
Intl Bond Apr 7	117.9	124.3	...	10.32
Japan Apr 7	58.62	62.51	...	4.69
European Apr 7	93.85	100.30	...	1.69
Nth American Apr 7	119.9	129.0	...	1.23

Murray Johnstone UT Mngmt
Murray Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Amer Expt Apr 8	55.80	58.04	...	1.77
Euro Expt Apr 8	54.75	57.47	...	2.41
Fixed Int Ex Apr 8	46.62	47.79	...	9.11
Japan Expt Apr 8	35.57	37.00	...	0.90
Managed Ex Apr 9	43.07	44.80xd	...	4.43
SE Asia Expt Apr 8	75.35	79.12xd	...	2.51
Sm Cos Expt Apr 8	34.02	35.73	...	3.47
UK Eqty Ex Apr 8	40.39	42.41	...	4.22

Phillips & Drew Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Small Co's Mar 4	656.40	698.79	...	4.04
Do Accum	761.43	810.61	...	4.04
Int. Expt Apr 9	184.11	188.13xd	...	1.66
UK Index Mar 4	1136.99	1159.06	...	4.53
Do Accum	1250.32	1273.96	...	4.53
Convertible Apr 13	94.03	97.03xd	+3.06	8.36
World ex UK Index Apr 7	743.12	751.80	...	2.18
Do Accum	743.12	751.80	...	2.18
Japan Index Apr 7	438.73	445.41	...	0.88
Do Accum	440.47	447.18	...	0.88
USA Index Apr 7	1032.46	1059.56	...	2.90
Do Accum	1097.03	1104.46	...	2.90
European UK Index Apr 7	930.31	944.64	...	3.35
Do Accum	967.48	982.38	...	3.35
Pacific ex Jap Index Apr 7	1033.43	1061.43	...	3.56

Allied Dunbar Assurance Plc – Contd.
Gen 4

	Bid Price
Fixed Int Dep Acc	27.7
Equity Acc	27.1
Property Acc	22.4
Far East Acc	21.6
European Acc	22.7
Managed Acc	27.1
Overseas Acc	28.5
Gilt Acc	30.3
Am Equity Acc	27.3
Am Managed Acc	26.6
Am Property Acc	21.2
High Income Acc	24.5
High Income Ser 2	24.3
Pension Funds	
F.I.Dep.Cap	367.4
F.I.Dep.Acc	695.3
Prop. Cap	497.9
Prop. Acc	1041.9
Man. Cap	885.9
Man. Acc	1854.0
Gilt Edged Cap	380.5
Gilt Edg. Acc	649.4
Eq. Cap	1442.6
Eq. Acc	2286.3
Am. Eq Cap	190.8
Am. Eq Acc	254.5
Far East Cap	189.2
Far East Acc	252.3
Euro Cap	31.0
Euro. Acc	37.3
B.S. Cap	430.8
B.S. Acc	792.0
D.A.F. Cap	331.3
D.A.F. Acc	542.6
Mortgage Cap	199.5
Mortgage Acc	266.2
Barings Funds	
Pen Eqy Cap	30.6
Pen Eqy Acc	33.3
Pen Am Eq Cap	35.9
Pen Am Eq Acc	41.3
Pen Far East Cap	24.6

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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Norwich Union Life Insurance Soc.—Contd.

Norwich Union Pensions Management Ltd

Pearl Assurance (Unit Funds) Ltd

Pegasus Assurance Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd

Prolific Life & Pensions Ltd

Property Life Assurance Ltd

Providence Capitol Life Assc. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Provident Mutual Life Assc. Assn.—Contd.

Prudential Assurance Co

Prudential Corporate Pension Funds

Prudential Individual Life Funds

Prudential Individual Pension Funds

Reliance Mutual

J Rothschild Assurance PLC

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance plc

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Group

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

Swiss Pioneer Life Plc

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Templeton Life Assurance Limited

Tunbridge Wells Equitable

For UK Life assurance see Century Life Plc

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Woolwich Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

Providence Capitol International Ltd — Contd.

Royal Life Intl. Ltd

Royal Skandia Life Assurance Ltd

Sun Alliance International Life

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MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound forges ahead vs D-Mark

STERLING dealt a double blow to the remaining UK bears yesterday as it pulled itself off the floor of the exchange rate mechanism and rose to a five-month high against the D-Mark, *writes Peggy Hollinger.*

The UK currency ended the day in London at DM2.9150, three pfennigs higher than Friday's close. Traders said the strong performance was due both to post-election euphoria, and the problems assailing the D-Mark. Most dealers expected the pound to start testing DM2.95 in the short-term.

Sterling's inherent strength was likely to continue, according to Dr Mark Austin, economist with HongKong Bank. "Compared with the rest of Europe there is the combination of political stability and an economy which looks as if it might rebound quite sharply in the short-term," he said.

This outlook would encourage the fund managers who, until now, had deliberately kept themselves light of sterling due to political uncertainty since the begining of the year. Within the European Monetary System, sterling traded places with the Danish Kroner to finish the day at 22 per cent of its permitted swing below the central rate.

This was the first time the pound had left the floor of the grid since early November, and prompted speculation of an early interest rate cut.

However, most traders suspected that since the political impetus of a rate cut had disappeared, a reduction was not likely within the next couple of months. "The government will want to save the potential stimulus until it sees if the post-election boom fades away," said Dr Austin.

The D-Mark took severe blows from both the pound's strength and an overnight report from a German think tank that growth would be much slower than expected.

Finally, news that the Russian government had offered to resign in a bid to force the Supreme Legislature to change tack on reform was more than D-Mark investors could stand.

A flurry of D-Mark selling gave a fillip to most European currencies, including the Ecu which came close to its theoretical level for the first time, said Mr David Cocker, treasury adviser at Chemical Bank.

The peseta was let off the leash by sterling's sharp rise within the EMS. It also took heart from Spanish finance minister Mr Carlos Solchaga's statement that an interest rate cut was not imminent. The peseta rose from 62.88/95 per D-Mark to 62.61/63.

The dollar also took a boost from the weaker D-Mark, although some of the shine is likely to disappear tomorrow when retail sales figures are published. These are expected to be 0.4 per cent weaker in March, while industrial production is likely to be flat.

The US currency rose from DM1.6360 on Friday to DM1.6545 at the close last night in in London.

£ IN NEW YORK

Apr 13	Close	Previous Close
£ Spot	1.7620-1.7627	1.7650-1.7660
1 month	0.96-0.94pm	0.96-0.94pm
3 months	2.71-2.68pm	2.67-2.64pm
12 months	9.05-8.95pm	9.10-9.00pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Apr.13	Previous
8.30 am	91.5	91.2
9.00 am	91.6	91.1
10.00 am	91.7	91.2
11.00 am	91.6	91.2
Noon	91.6	91.2
1.00 pm	91.6	91.2
2.00 pm	91.6	91.2
3.00 pm	91.7	91.2
4.00 pm	91.7	91.2

CURRENCY MOVEMENTS

Apr 13	Bank of England Index	Morgan** Guaranty Changes %
Sterling	91.7	−20.3
U.S Dollar	64.8	−14.0
Canadian Dollar	101.3	−1.2
Austrian Schilling	110.0	+12.4
Belgian Franc	111.5	−1.8
Danish Krone	108.8	+3.0
D-Mark	118.4	+25.2
Swiss Franc	104.4	+12.6
Dutch Guilder	114.5	+16.3
French Franc	103.6	−12.3
Lira	98.6	−19.9
Yen	138.7	+71.9
Peseta	108.0	−18.1

Morgan Guaranty changes, average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for Apr.10

CURRENCY RATES

Apr 13	Bank ‡ rate %	Special * Drawing Rights	European † Currency Unit
Sterling	–	0.778817	0.704677
U.S Dollar	3.50	1.38022	1.24002
Canadian $	7.49	1.63777	1.47290
Austrian Sch	7.50	15.7732	14.4214
Belgian Franc	8.50	46.1891	42.1545
Danish Krone	9.50	8.71057	7.94667
D-Mark	8.00	2.24272	2.04888
Dutch Guilder	8.50	2.52456	2.30706
French Franc	10¼	7.59328	6.93667
Italian Lira	12	1690.40	1542.21
Japanese Yen	3.75	182.396	165.109
Norway Krone	–	8.81132	8.02727
Spanish Peseta	–	140.991	128.320
Swedish Krona	10.00	8.13640	7.40912
Swiss Franc	7.00	2.05860	1.88359
Greek Drach	19	263.455	239.435
Irish Punt	–	0.845238	0.768100

‡ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Apr.10

OTHER CURRENCIES

Apr 13	£	$
Argentina	1.7455 - 1.7480	0.9900 - 0.9910
Australia	2.3060 - 2.3080	1.3090 - 1.3100
Brazil	3794.85 - 3797.35	2152.50 - 2152.70
Finland	7.9050 - 7.9270	4.4870 - 4.4900
Greece	338.840 - 339.920	192.450 - 192.750
Hong Kong	13.6260 - 13.6390	7.7320 - 7.7340
Iran	2541.00*	1435.00*
Korea(Sth)	1361.70 - 1383.65	775.10 - 784.30
Kuwait	0.51880 - 0.51980	0.29410 - 0.29460
Luxembourg	59.90 - 60.00	34.00 - 34.10
Malaysia	4.4925 - 4.5040	2.5490 - 2.5510
Mexico	5324.25 - 5336.10	3064.50 - 3066.50
N.Zealand	3.2325 - 3.2370	1.8330 - 1.8355
Saudi Ar.	6.5730 - 6.6500	3.7495 - 3.7505
Singapore	2.9180 - 2.9250	1.6560 - 1.6580
S.Af (Cm)	5.0670 - 5.0790	2.8760 - 2.8775
S.Af (Fn)	5.9475 - 6.0495	3.3725 - 3.4305
Taiwan	44.55 - 44.70	25.25 - 25.35
U.A.E.	6.4360 - 6.5130	3.6715 - 3.6735

*Floating rate. Iran Official rate £117.05 $66.60

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 13	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	128.320	−3.97	5.53	68
Portuguese Escudo	178.735	176.157	−1.44	2.82	23
Belgian Franc	42.4032	42.1545	−0.59	1.93	33
Dutch Guilder	2.31643	2.30706	−0.40	1.75	24
D-Mark	2.05586	2.04888	−0.34	1.68	27
Irish Punt	0.767417	0.768100	0.09	1.25	0
Italian Lira	1538.24	1542.21	0.26	1.07	−8
French Franc	6.89509	6.93667	0.60	0.73	−28
Sterling	0.696904	0.704677	1.12	0.22	−23
Danish Krone	7.84195	7.94667	1.34	0.00	−57

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu: a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Apr 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7590 - 1.7710	1.7610 - 1.7620	0.96-0.94cpm	6.47	2.72-2.69pm	6.14
Canada	2.0905 - 2.1000	2.0930 - 2.0940	0.65-0.57cpm	3.50	1.82-1.67pm	3.33
Netherlands	3.2635 - 3.2875	3.2775 - 3.2875	⅜-¼cpm	1.14	¼-½pm	0.76
Belgium	59.60 - 60.00	59.90 - 60.00	8-3cpm	1.10	15-9pm	0.80
Denmark	11.2410 - 11.2930	11.2600 - 11.2700	⅞-⅛orepm	0.53	¼-parpm	0.13
Ireland	1.0850 - 1.0940	1.0930 - 1.0940	0.01-0.04cdis	−0.27	0.03-0.05dis	−0.15
Germany	2.8985 - 2.9175	2.9125 - 2.9175	¼-⅛pfpm	0.77	½-⅜pm	0.60
Portugal	248.30 - 250.40	249.40 - 250.40	11-18cdis	−0.70	59-114dis	−1.38
Spain	181.65 - 182.55	181.75 - 182.05	23-33cdis	−1.85	85-102dis	−2.06
Italy	2181.70 - 2194.50	2193.50 - 2194.50	2-4liredis	−1.64	9-11dis	−1.82
Norway	11.3575 - 11.4235	11.3700 - 11.3800	⅝-⅛orepm	0.40	⅝-⅛pm	0.13
France	9.8070 - 9.8750	9.8625 - 9.8725	½-¼cpm	0.46	¾-¼pm	0.20
Sweden	10.4860 - 10.5295	10.4925 - 10.5025	⅞-1½oredis	−1.36	3¾-5¼dis	−1.69
Japan	234.25 - 235.60	234.25 - 235.25	1¼-1⅛ypm	6.07	3⅜-3⅛pm	5.54
Austria	20.39 - 20.51	20.42 - 20.45	2¼-1gropm	0.92	4¼-2¼pm	0.64
Switzerland	2.6705 - 2.6925	2.6825 - 2.6925	½-⅜cpm	1.95	1¼-⅞pm	1.21
Ecu	1.4160 - 1.4230	1.4185 - 1.4195	0.10-0.06cpm	0.68	0.10-0.04pm	0.20

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.17-5.12pm. 12 Month 9.07-8.97pm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Apr 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7590 - 1.7710	1.7610 - 1.7620	0.96-0.94cpm	6.47	2.72-2.69pm	6.14
Ireland†	1.6150 - 1.6265	1.6160 - 1.6170	0.85-0.82cpm	6.20	2.53-2.46pm	6.17
Canada	1.1845 - 1.1880	1.1860 - 1.1870	0.28-0.31cdis	−2.98	0.81-0.87dis	−2.83
Netherlands	1.8445 - 1.8635	1.8625 - 1.8635	0.82-0.85cdis	−5.38	2.47-2.51dis	−5.35
Belgium	33.70 - 34.10	34.00 - 34.10	14.00-16.00cdis	−5.29	43.00-46.00dis	−5.23
Denmark	6.3540 - 6.4075	6.3925 - 6.3975	3.30-3.60oredis	−6.47	9.30-9.85dis	−5.99
Germany	1.6375 - 1.6550	1.6540 - 1.6550	0.76-0.77pfdis	−5.55	2.27-2.29dis	−5.51
Portugal	141.70 - 142.05	141.70 - 141.80	72-82cdis	−6.52	255-275dis	−7.48
Spain	102.65 - 104.00	103.25 - 103.35	7-8cdis	−0.87	21-22dis	−0.83
Italy	1233.00 - 1245.75	1245.25 - 1245.75	8.00-8.50liredis	−7.95	24.10-25.10dis	−7.90
Norway	6.4200 - 6.4770	6.4550 - 6.4600	3.15-3.45oredis	−6.13	9.60-10.10dis	−6.10
France	5.5425 - 5.6050	5.6000 - 5.6050	2.74-2.79cdis	−5.92	8.21-8.31dis	−5.90
Sweden	5.9235 - 5.9765	5.9575 - 5.9625	3.75-4.00oredis	−7.80	11.25-11.70dis	−7.70
Japan	132.85 - 133.40	133.20 - 133.30	0.07-0.08ydis	−0.68	0.17-0.19dis	−0.54
Austria	11.5325 - 11.6235	11.6050 - 11.6100	5.05-5.45grodis	−5.43	15.20-16.40dis	−5.44
Switzerland	1.5085 - 1.5260	1.5250 - 1.5260	0.54-0.57cdis	−4.37	1.64-1.68dis	−4.35
Ecu	1.2390 - 1.2495	1.2395 - 1.2405	0.61-0.59cpm	5.81	1.85-1.79pm	5.87

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Apr 13	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¼ - 10½	10¼ - 10½	10½ - 10⅜	10⅜ - 10¼	10⅜ - 10¼	10¼ - 10⅛
US Dollar	4 - 3⅞	4 1/16 - 3 15/16	4 1/16 - 3 15/16	4⅛ - 4	4 7/16 - 4 5/16	4¾ - 4⅝
Can Dollar	6⅝ - 6½	6⅞ - 6¾	6⅞ - 6¾	6⅞ - 6¾	7 - 6⅞	7¼ - 6⅞
Dutch Guilder	9 7/16 - 9 5/16	9½ - 9⅜	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½
Swiss Franc	8 - 7¾	8¼ - 8	8½ - 8⅜	8½ - 8⅜	8½ - 8⅜	8½ - 8⅜
D-Mark	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16
French Franc	10 - 9⅞	10 - 9⅞	10 - 9⅞	10 - 9⅞	10 - 9⅞	10 - 9⅞
Italian Lira	12 - 10	12¼ - 11¾	12¼ - 11¾	12¼ - 11¾	12¼ - 11⅞	12¼ - 12
Belgian Franc	9⅝ - 9½	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16	9 11/16 - 9 9/16
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Danish Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asian $Sing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spanish Peseta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long term Eurodollars; two years 5⅜-5¼ per cent; three years 6¼-6⅛ per cent; four years 6⅞-6¾ per cent; five years 7¼-7 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others two days' notice.

EXCHANGE CROSS RATES

Apr 13	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Ecu
£	1	1.762	2.915	234.8	9.868	2.688	3.283	2194.	2.094	59.95	1.419
$	0.568	1	1.654	133.3	5.600	1.526	1.863	1245	1.188	34.02	0.805
DM	0.343	0.604	1	80.55	3.385	0.922	1.126	752.7	0.718	20.57	0.487
YEN	4.259	7.504	12.41	1000.	42.03	11.45	13.98	9344	8.918	255.3	6.043
F Fr.	1.013	1.786	2.954	237.9	10.	2.724	3.327	2223	2.122	60.75	1.438
S Fr.	0.372	0.656	1.084	87.35	3.671	1	1.221	816.2	0.779	22.30	0.528
N Fl.	0.305	0.537	0.888	71.52	3.006	0.819	1	668.3	0.638	18.26	0.432
Lira	0.456	0.803	1.329	107.0	4.498	1.225	1.496	1000.	0.954	27.32	0.647
C $	0.478	0.841	1.392	112.1	4.713	1.284	1.568	1048	1	28.63	0.678
B Fr.	1.668	2.939	4.862	391.7	16.46	4.484	5.476	3660	3.493	100.	2.367
Ecu	0.705	1.242	2.054	165.5	6.954	1.894	2.314	1546	1.476	42.25	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS [illegible]

LIFFE US TREASURY BOND FUTURES OPTIONS [illegible]

LIFFE BUND FUTURES OPTIONS [illegible]

LIFFE EUROMARK OPTIONS [illegible]

LIFFE ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS [illegible]

LIFFE SHORT STERLING OPTIONS [illegible]

LONDON (LIFFE) [illegible]

CHICAGO [illegible]

PARIS [illegible]

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls September	Calls December	Puts June	Puts September	Puts December
106	-	-	-	0.05	0.30	-
107	1.36	-	-	0.16	0.54	0.77
108	0.62	1.26	-	0.43	0.89	-
109	0.24	0.79	-	1.05	1.38	-
110	0.07	0.47	-	-	-	-
111	0.02	0.24	0.52	-	-	-
112	0.01	-	-	-	-	-
Open Int	127,286	36,426	5,450	101,846	22,429	2,580

Estimated volume 18,250 Total Open Interest 296,017

FT-SE EUROTRACK 100 INDEX
DM50 per full index point

	Close	High	Low	Prev.
Jun	1166.0			1169.0
N				
A				

Estimated volume 0 (0)
Previous day's open int. 18 (18)

* Contracts traded on APT. Closing prices shown.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7615	1.7520	1.7344	1.7100	1.6713

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bnk.	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Duncan Lawrie	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Equatorial Bank plc	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Exeter Bank Limited	11	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Financial & Gen. Bank	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	First National Bank Plc.	14	Provincial Bank PLC	14
Bank of Cyprus	10.5	● Robert Fleming & Co.	10.5	Roxburghe Bank Ltd.	11.5
Bank of Ireland	10.5	Robert Fraser & Ptnrs.	11	Royal Bk of Scotland	10.5
Bank of India	10.5	Girobank	10.5	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	● Guinness Mahon	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Hambros Bank	10.5	TSB	10.5
Barclays Bank	10.5	Hampshire Trust Plc	13.5	Unibank plc	10.5
Benchmark Bank	11	Heritable & Gen Inv Bnk.	10.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	● Hill Samuel	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	C. Hoare & Co.	10.5	Western Trust	10.5
CL Bank Nederland	10.5	Hongkong & Shanghai	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Julian Hodge Bank	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5				

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MONEY MARKETS

Rate rumours revive

SPECULATION of an interest rate cut raised its head in the early hours of yesterday's trade, prompted by sterling's strong gains on the foreign exchanges. However, most traders felt a cut was unlikely within the next few weeks.

Overnight rates fell as low as 7½ per cent, with money available in sufficient quantities throughout the day. However, the futures market seemed uncertain about a rate cut, and had "no real direction" according to one trader.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

The June contract firmed from an opening level of 89.94, implying an interest rate of 10.06 per cent, to 89.85 at the close. This implies an interest rate of 10.15 per cent.

Market traders, initially excited by the idea of a base rate cut, found themselves moving to a more conservative position. "I don't think the Chancellor is in that much of a hurry," said one dealer. "A cut has got to be done within the framework of the ERM and the DM2.95 band."

Many speculated that the UK would move to cut base rates, and join the narrow band of the ERM, when it assumes the presidency of the European Community this summer.

The Bank of England seemed to fuel the rate cut speculation, however, as it took early action to eliminate record shortages.

The Bank initially forecast a squeeze of £2.35bn and stepped in with assistance of £2.32bn before lunch. The biggest drain came from bills totalling £1.2bn due for repurchase by the market. Exchequer transactions called for a further £860m, treasury bills and maturing assistance £559m, and bankers balances below target £330m. A £610m fall in note circulation eased some of the pressure on liquidity.

The bulk of the Bank's morning trade was comprised of a £1.6bn repo agreement falling due on May 1 at 10 7/16 per cent. A further £500m repo, falling due on May 13, was pitched at 10 13/32 per cent. Other purchases were in bands one, three and four bills at rates of 10⅜, 10 5/16, and 10¼ per cent.

In the afternoon the shortage was revised to a record high of £2.75bn. The Bank purchased bands one and two bills totalling £451m at 10⅜ per cent, and offered late assistance of £40m.

In Germany, call rates firmed from 9.60/65 per cent to 9.60/70 per cent. In the US, Federal funds traded at 3¾ per cent, just below the new presumed target of 3¾ per cent.

FT LONDON INTERBANK FIXING

11.00 a.m. Apr.13	3 months US dollars		6 months US Dollars	
	bid 4	offer 4⅛	bid 4⅛	offer 4¼

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

4pm		Treasury Bills and Bonds			
Prime rate	6½	One month	3.49	Three year	5.59
Broker loan rate	6	Two month	3.59	Five year	6.57
Fed.funds	3 11/16	Three month	3.70	Seven year	6.98
Fed.funds at intervention	-	Six month	3.85	10-year	7.32
		One year	4.07	30-year	7.86
		Two year	5.09		

Apr.13	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.60-9.70	9.60-9.70	9.60-9.70	9.60-9.70	9.55-9.65	9.75
Paris	9⅝-10	9 11/16-9 13/16	9⅞-10	9⅞-10	9⅞-10	9.60
Zurich	6⅞-7⅛	8⅛-8⅜	-	8⅛-8⅜	-	-
Amsterdam	-	-	-	-	-	-
Tokyo	4 11/16-4 13/16	4⅝-4⅞	-	4 13/32-4 15/32	-	-
Milan	12⅛-12⅜	12⅛-12½	-	12⅛-12½	-	-
Brussels	9.25-9.37	9⅜-9½	-	9⅜-9½	-	-
Dublin	9¾-10	10⅛-10½	10⅛-10½	10⅛-10½	10 3/16-10 7/16	-

LONDON MONEY RATES

Apr 13	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	11	10⅝	10⅜	10⅜	10⅜	10¼
Interbank Bid	7	10⅛	10¼	10¼	10¼	10⅛
Sterling CDs	-	-	10 13/32	10⅜	10¼	10 3/16
Local Authority Deps	9½	10½	10 5/16	10⅛	10⅛	10¼
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	9½	10¼	-	-	-	-
Company Deposits	-	-	10 11/16	10½	10 7/16	10⅜
Finance House Deposits	-	-	10 7/16	10⅝	10⅜	10⅜
Treasury Bills (Buy)	-	-	10 3/16	9 31/32	9 15/16	-
Bank Bills (Buy)	-	-	10¼	9 31/32	9⅝	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	4.05	4.10	4.25	4.57
SDR Linked Dep. Offer	-	-	6½	6⅝	6⅝	6¾
SDR Linked Dep Bid	-	-	6⅜	6½	6½	6⅝
ECU Linked Dep. Offer	-	-	9⅞	10 1/16	10⅛	10⅛
ECU Linked Dep Bid	-	-	9¾	9 15/16	10	10

Treasury Bills (sell); one-month 10 1/16 per cent; three months 9 31/32 per cent; six months 9 5/8 per cent; Bank Bills (sell): one-month 10 3/16 per cent; three months 9 31/32 per cent; Treasury Bills: Average tender rate of discount 9.7668 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day March 31, 1992. Agreed rates for period Apr.26, 1992 to May 25, 1992, Scheme I: 11.77 p.c., Schemes II & III: 11.84 p.c. Reference rate for period Feb 29, 1992 to March 31, 1992, Scheme IV&V: 10.643 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from April 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5,1991. Deposits withdrawn for cash 5 per cent.

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

CROSSWORD

No.7,824 Set by HIGHLANDER

ACROSS

1 Religious academy remains strangely unknown (8)
5 Making determined attempt, left unflanked defensive position (6)
9 Involved having 10 topped and tailed (8)
10 Students go over mistake (4-2)
12 Time French philosopher put on her wedding gear (9)
13 Sees these as essential comforts inside (5)
14 Beautiful, feminine appearance (4)
16 Foot of pig or horse (7)
19 Disciple takes a job with the French (7)
21 Helps when putting 1d in (4)
24 Discover great success by working (3,2)
25 Speaker's rush to beat the storm (9)
27 Find out how to shed right shed (4-2)
28 Eden is in the procession (8)
29 Baby's toy scare (6)
30 Set off on time and get almost cheapest accommodation afloat (8)

DOWN

1 Private Eye according to spokesman killed Tory hopes initially (6)
2 Sounds like Pooh introducing one of his friends to heavenly body (6)
3 Fixes trouble between bridge partners (5)
4 Caviare expensive, reported a supplier of venison (3,4)
6 Invalid gangster makes untrue statement (9)
7 Facing it in fight (8)
8 Try putting a bug in wall covering (8)
11 Has to mould (4)
15 Ann late at sorting letters before delivery (9)
17 Composer takes the part over from single man (8)
18 Part with it or original painting (8)
20 Sound repeated by half of the choir (4)
21 Sailor put over others holding A level (7)
22 Drive about in a Morris car (6)
23 Strict clergyman turns up in diocese (6)
26 Note at the end makes Gershwin cross (5)

Solution to Puzzle No.7,823

WORLD STOCK MARKETS

AUSTRIA · BELGIUM/LUXEMBOURG · DENMARK · FINLAND · FRANCE · GERMANY · ITALY · NETHERLANDS · NORWAY · SPAIN · SWEDEN · SWITZERLAND · SOUTH AFRICA · JAPAN · AUSTRALIA · HONG KONG · MALAYSIA · SINGAPORE

CANADA

TORONTO

4:00 pm prices April 13

MONTREAL

4:00 pm prices April 13

Total Sales 9,119,900 shares

INDICES

NEW YORK

DOW JONES	Apr 13	Apr 10	Apr 9	Apr 8	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	3269.90	3255.37	3224.96	3181.35	3290.25 (3/3)	3172.41 (2/1)	3290.25 (3/3/92)	41.22 (2/7/32)
Home Bonds	99.44	99.29	99.05	98.97	99.81 (6/2)	98.41 (20/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1337.26	1347.35	1338.56	1301.57	1467.68 (20/2)	1301.57 (8/4)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	203.93	204.12	203.12	200.74	225.59 (3/1)	200.74 (8/4)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High (a) (3280.86) Low (a) (3227.64)

STANDARD AND POOR'S

	Apr 13	Apr 10	Apr 9	Apr 8	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	406.08	404.29	400.64	394.50	420.77 (15/1)	394.50 (8/4)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	484.13	482.02	477.54	470.91	499.27 (15/1)	470.91 (8/4)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	33.75	33.56	33.37	32.40	35.14 (15/1)	32.40 (8/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	224.16	223.27	221.10	217.92	231.85 (15/1)	217.92 (8/4)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	388.89	388.01	385.94	380.90	418.99 (12/2)	380.90 (8/4)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	588.15	584.24	586.75	573.68	644.92 (12/2)	573.68 (8/4)	644.92 (12/2/92)	54.87 (31/10/72)

	Apr 10	Apr 3	Mar 27	year ago (approx.)
Dow Industrial Div. Yield	2.85	2.85	2.86	3.45

	Apr 8	Apr 1	Mar 25	year ago (approx.)
S & P Industrial div. yield	2.70	2.64	2.62	2.88
S & P Indl. P/E ratio	27.95	28.56	28.78	17.95

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
RJ Nabisco	2,367,200	9⅜	- ⅛
IBM	1,712,300	87½	+ 1½
FST Data	1,484,200	22⅜	+ ⅛
AT & T	1,230,700	41⅜	- ⅛
Gen Motors	1,204,400	39	+ ⅛
Glaxo	1,194,000	29⅛	+ ⅜
Limited	1,157,200	24⅛	+ ⅛
Digital Eq	1,067,100	45⅝	+ ⅛
Nat Semi	1,022,100	8⅝	- ⅜
GTE	1,014,900	30¼	+ ½

TRADING ACTIVITY

† Volume (Millions)	Apr 13	Apr 10	Apr 9
New York SE	143.635	199.450	231.340
Amex	13.073	14.290	15.425
NASDAQ	(u)	179.521	198.753
NYSE			
Issues Traded	2,235	2,222	2,222
Rises	966	1,201	1,271
Falls	784	523	494
Unchanged	485	498	457
New Highs	23	24	12
New Lows	18	24	37

CANADA

TORONTO	Apr 13	Apr 10	Apr 9	Apr 8	1992 HIGH	1992 LOW
Metals & Minerals	2945.76	2879.15	2864.47	2828.26	3238.87 (16/1)	2828.26 (8/4)
Composite	3389.80	3376.64	3349.03	3318.10	3666.00 (16/1)	3318.10 (8/4)
MONTREAL Portfolio	1776.29	1764.66	1747.21	1727.04	1937.59 (16/1)	1727.04 (8/4)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Apr 13	Apr 10	Apr 9	Apr 8	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1570.1	1582.0	1545.3	1554.3	1675.60 (15/1)	1545.30 (9/4)
All Mining (1/1/80)	686.4	690.1	676.1	680.1	717.20 (25/2)	660.30 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	406.20	407.05	396.27	404.80	685.20 (18/3)	372.24 (2/1)
Traded Index (2/1/91)	967.98	970.42	940.36	961.66	1099.43 (24/2)	901.64 (2/1)
BELGIUM						
BEL20 (1/1/91)	1178.91	1178.78	1165.61	1174.45	1234.72 (3/3)	1097.23 (8/1)
DENMARK						
Copenhagen SE (3/1/83)	332.19	328.86	326.35	328.37	365.29 (15/1)	326.35 (9/4)
FINLAND						
HEX General (28/12/90)	792.1	796.6	778.3	790.8	935.90 (24/2)	778.30 (9/4)
FRANCE						
CAC General (31/12/82)	531.44	535.04	523.57	530.22	535.71 (7/4)	475.53 (2/1)
CAC 40 (31/12/87)	1963.27	1974.86	1943.64	1907.48	1993.88 (10/3)	1749.91 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	706.83	706.67	698.65	702.06	715.44 (3/3)	643.26 (8/1)
Commerzbank (1/12/53)	1992.4	1992.3	1969.0	1980.3	2026.70 (3/3)	1813.80 (8/1)
DAX (30/12/87)	1727.74	1736.07	1720.25	1720.01	1764.80 (5/3)	1578.73 (8/1)
HONG KONG						
Hang Seng Bank (31/7/64)	4889.14	4921.11	4729.39	4827.58	5071.19 (13/3)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1406.16	1410.81	1372.98	1373.02	1469.57 (17/1)	1346.61 (3/4)
ITALY						
Banca Com. Ital. (1972)	500.79	501.16	496.23	496.74	551.59 (6/2)	496.23 (9/4)
MIB General (2/1/92)	986.0	986.0	977.0	978.0	1087.00 (6/2)	977.00 (30/3)
JAPAN						
Nikkei (16/5/49)	17236.60	17850.66	16598.15	17175.53	23801.18 (6/1)	16598.15 (9/4)
Tokyo SE (Topix) (4/1/68)	1269.61	1282.56	1196.19	1219.88	1763.43 (6/1)	1196.19 (9/4)
2nd Section (4/1/68)	1945.66	1933.04	1910.56	1937.18	2459.85 (6/1)	1910.56 (9/4)
MALAYSIA						
KLSE Composite (4/4/86)	567.51	571.31	563.69	573.61	619.06 (20/2)	546.63 (14/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	295.1	293.5	291.9	292.4	295.50 (7/4)	274.00 (8/1)
CBS All Shr (End 1983)	207.1	206.0	204.9	205.3	4379.00 (17/3)	192.40 (8/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	689.46	691.74	688.74	696.93	748.03 (17/1)	667.88 (25/2)
PHILIPPINES						
Manila Comp (2/1/85)	1136.09	1134.83	(c)	1135.99	1303.30 (17/1)	1083.01 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	374.52	376.89	370.13	372.81	416.99 (21/1)	370.13 (9/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1067.04	1064.0	1038.0	1031.0	1327.00 (21/1)	1031.00 (9/4)
JSE Industrial (28/9/78)	4204.04	4220.0	4199.0	4223.0	4535.00 (15/1)	4169.00 (2/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	578.19	569.65	575.98	572.97	691.48 (8/2)	569.65 (10/4)
SPAIN						
Madrid SE (30/12/85)	247.67	249.84	246.31	246.07	266.51 (28/2)	238.93 (2/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	970.4	975.6	962.0	969.2	1009.70 (20/3)	913.70 (2/1)
SWITZERLAND						
Swiss Bank Ind (31/12/58)	813.0	815.0	809.0	808.0	818.00 (26/3)	748.50 (8/1)
SBC General (1/4/87)	642.3	643.7	638.1	637.5	650.10 (3/3)	601.10 (8/1)
TAIWAN**						
Weighted Price (30/6/66)	4405.44	4563.85	4528.05	4552.46	5391.63 (30/1)	4405.44 (13/4)
THAILAND						
Bangok SET (30/4/75)	819.97	818.32	812.35	828.91	832.39 (7/4)	711.81 (3/1)
WORLD						
M.S. Capital Intl (1/1/70) ($)	481.8*	484.1	468.9	467.5	542.10 (7/1)	467.50 (8/4)
Euro Top-100 (26/6/90)	928.77	929.91	908.30	902.03	943.20 (3/3)	870.31 (2/1)

**Saturday April 11: Taiwan Weighted Price: 4487.62, Korea Comp Ex. 576.11.
‡ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500. (c) Closed (u) Unavailable.

TOKYO - Most Active Stocks

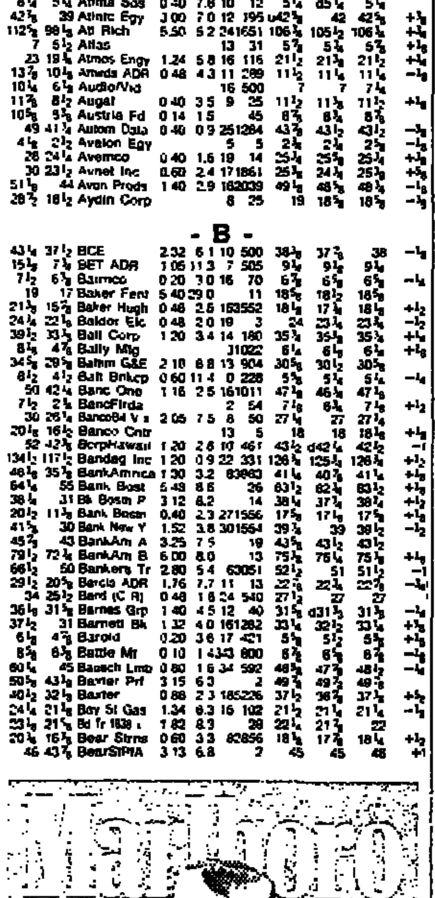
Monday 13 April 1992

	Stocks Traded	Closing Prices	Change on day
TEAC	8.0m	971	-4
Hitachi	4.9m	819	+9
Toshiba	3.8m	696	0
Nippon Carbon	3.4m	551	+13
Nomura Secs	3.4m	1,250	-40
Fuji Bank	3.3m	1,340	0
Citizen Watch	3.1m	813	+3
Clarion	3.0m	595	-25
Industrial Bk	3.0m	1,610	+50
Mitsubishi Hvy	2.9m	568	-1

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4:00 pm prices April 13

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15 7/8	12 1/4	AAR Corp	0.48	3.4	16	220	13 7/8	13 5/8	13 7/8	+1/8
26	20 3/8	A L Labs A	0.18	0.8	102	172	23 1/8	22 3/4	22 3/4	-1
68 3/4	56	AMP Inc	1.52	2.6	25	525	58 1/2	58 1/8	58 1/2	+1/2
80 1/4	67 1/8	AMR				239525	69 1/4	67 1/4	67 1/2	-2 1/8
2 3/8	1 1/8	ARX			2	129	2 1/8	2	2	-1/8
53 1/2	43 1/8	ASA	2.75	6.3	12	357	44 1/2	43 7/8	43 7/8	-1/2
68 5/8	58 3/4	Abbott Lab x	1.20	1.8	25	4224	65 1/2	64 5/8	65 5/8	+3/8
13 7/8	12 1/8	Abitibi Pr x	0.43	3.5	12	17	12 7/8	12 3/8	12 7/8	
11 5/8	10 1/8	ACM Gvt In x	0.96	9.2		261	10 3/8	10 1/4	10 3/8	+1/8
10 7/8	9 1/8	ACM GvOpp x	0.90	8.5		22	9 3/8	9 1/4	9 3/8	+1/8
9 1/2	8 1/2	ACM Gvt Sp x	0.80	9.4		285	8 5/8	d8 1/2	8 1/2	
11 1/4	10 1/8	ACM Gvt Se	0.96	9.4		624	10 3/8	d10 1/8	10 1/4	+1/8
9 3/8	8 5/8	ACM Man x	0.96	10.6		278	9	8 7/8	9	+1/8
12 7/8	10 3/4	ACM Mgd x	1.09	9.8		125	11	10 7/8	11	
11 3/4	7	Acme Cleve	0.40	4.6	16	51	8 3/4	8 5/8	8 5/8	-1/8
6 1/4	4 1/2	Acme Elect			4	163	5 3/4	5 5/8	5 5/8	-1/4
33 3/4	18 7/8	Acuson			13	1116	21 5/8	20 1/2	21	+5/8
19 1/2	18 1/8	Adams Expr	0.48	2.5	0	108	18 1/2	18 1/4	18 1/2	+1/4
15 1/2	13	Adobe12PI	2.40	16.6		50	14 1/2	14 1/2	14 1/2	
5 3/4	4 1/2	Adobe Res			2	34	5 1/8	5	5	
49 1/8	40 1/2	Ad Micro	3.00	7.2		200	41 7/8	41 1/2	41 1/2	-1/2
21 1/2	16 3/8	Ad Micro P	3.00	18.0		63599	16 3/4	d16 1/8	16 5/8	
9 1/8	5	Advest Grp	0.16	2.3	29	110	7	6 3/4	7	+1/4
71 3/4	67 1/8	Aegon ADR	1.50	2.2	8	9	69 3/8	69	69	-3/8
47	39	Aetna Lf	2.76	6.3		92695	44 1/2	43 7/8	44	+1/2
12	8 3/4	Ahil A	0.24	2.3	74	681	10 1/2	10 3/8	10 3/8	+1/8
32 7/8	24 1/8	Aflac	0.40	1.4	15	1815	27 1/2	26	27 1/2	+1 1/8
19 3/8	15 1/2	Ahmanson	0.88	5.3		81359	16 5/8	16 1/4	16 5/8	+1/4
22 1/2	15	Aileen Inc			14	106	17 3/8	17	17 1/4	+1/2
46 5/8	38 1/2	Air Pr Chm	0.80	1.8	19	2417	44 1/2	43 1/4	44 1/2	+7/8
29 3/4	21 1/2	Airbne Frt	0.30	1.2	17	827	24 7/8	24 1/8	24 3/8	-1/8
26	22 5/8	Airgas Inc			27	50	24	24	24	
12 3/8	8 7/8	Airlease	1.66	14.8	7	71	11 1/4	11	11 1/4	
104	99 1/2	AlaPw8 16	8.16	8.0		3	102 1/2	102	102 1/2	+1
25 1/8	21 3/8	AlaPw PfA	2.00	8.0		11	u25 1/8	25 1/8	25 1/8	
107	102 1/2	AlaPw9 44	9.44	9.0		z100	102 1/2	d102 1/2	105	+2 1/2
108	102 5/8	Alab Pw 11				2	104	104	104	
105	101 1/2	Alab Pw 9P	9.00	8.6		3	104	103 3/4	104	+1
105	100 1/4	Alab 8 28C	9.28	8.1		z100	103	102 1/4	102 1/4	
11	10 1/2	AlaPwDpPf	0.87	8.1		28	10 7/8	d10 1/2	10 3/4	+1/8
23 7/8	17 1/4	Alaska Air x	0.20	1.1	68	439	18	17 5/8	17 3/4	-1/4



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NYSE COMPOSITE PRICES

Continued from previous page

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
28	21¾	Ryland Grp x	0.60	2.7	41	297	22½	d21¾	22	-⅛
		- S -								
21	17½	S Anita Rt	1.72	9.8	19	120	17⅞	d17½	17⅝	-⅛
18⅞	15¾	SCOR US Cp	0.28	1.6	9	16	17	16⅞	17	+⅛
29½	24¾	SPS Technq	1.28	4.9	20	28	26⅛	25⅞	26⅛	-⅛
1	13/16	Saatchi&S	0.19	20.5		12504	15/16	⅞	15/16	
13	12⅛	Sabine Rt x	1.41	11.0	8	39	12⅞	12¾	12⅞	+⅛
11⅞	9	Safecard	0.15	1.4	10	293	10½	10¼	10⅜	+⅛
16	12¾	Safeg'd Sc			6	15	13½	13½	13½	-¼
29	22⅞	SafetyKln	0.34	1.2	31	754	28⅞	28⅛	28⅞	+⅝
20¼	14⅞	Safeway				302574	14⅝	d14⅜	14½	-½
4⅝	3⅛	SafewayW96				721	3⅛	d3	3	-¼
41⅞	29⅞	StJoePaper	0.20	0.5	41	19	37⅞	37⅝	37⅝	
34¾	31⅛	StJoeL&P	1.72	5.5	12	60	31⅝	31⅛	31½	+⅛
75¾	69¼	St Paul's	2.72	3.9	7	499	70¼	70	70¼	+⅛
7¼	2⅞	Salant Crp			2	230	u8⅛	7½	7⅞	+½
75⅛	60½	Sallie Mae	1.00	1.4	19	2509	70¼	69	69⅛	-⅞
14¼	13	Salomon Br	1.61	11.8		368	13⅝	13⅜	13⅝	
32½	26¼	Salomoninc	0.64	2.2	7	1475	29⅝	29	29¼	-⅛
45⅜	42¼	SanDgo G&E	2.88	6.7	12	271	42¾	d42½	42¾	+¼
3⅜	2⅞	SantaFeEDu	0.40	13.3	25	60	3	2⅞	3	+⅛
9¼	7	SantaFeEng	0.16	1.9	281	113	8½	8⅛	8¼	-⅛
38⅜	30¾	SantaFePac	2.78	8.6	10	158	32	31⅝	31⅞	+⅛
14⅛	11	SantaFeSth				212428	11⅞	11⅝	11⅝	-⅛
57	48⅝	Sara Lee	1.00	1.9	17	1888	52	51¼	52	+⅜
9½	1¾	Savin			0	18	2⅞	2⅜	2⅜	-⅛
3¼	⅞	Savin 0.80	0.80	64.0		10	1¼	1¼	1¼	
44⅛	38⅛	Scana Corp	2.88	6.8	11	225	38⅛	38⅞	38⅞	-⅛
47⅞	40⅛	Scecorp x	2.72	6.8	12	1533	41⅝	41¼	41⅜	-⅛
68	53⅞	ScheringPl	1.32	2.3	19	2066	57½	56⅝	57½	+½
64¾	52¾	Schl'berger	1.20	2.0	17	5208	58⅞	57½	58½	+1¼
37¾	27⅞	Schwab(C)	0.24	0.8	23	965	30¼	29⅝	29⅝	-⅝
9⅛	6⅜	Schwitzer			38	49	8½	8¼	8½	+¼
19⅝	15⅜	ScientAtln	0.16	1.0	116	170	16½	16¼	16½	

1992 High	1992 Low	Stock	Div.	Yld. %	P/E Sls 100s
1⅞	⅞	TacomaBoat			0
30⅞	24½	Taiwan Fd			94
4¼	2¾	Talleyind	0.20	6.7	0 279
7½	5	Talley Pf	1.00	17.8	z100
70½	59⅛	Tambrands	1.36	2.2	311178
15⅛	11	Tandem			202324
31⅛	24	Tandy Corp	0.60	2.2	123064
13	11⅞	Tanra Nan x	0.88	6.8	16
41½	35	Teco Energ	1.72	4.8	14 471
22⅞	18½	Tektronix x	0.60	3.2	13 200
1½	11/16	Telecom Cp			2 10
28⅞	19⅞	Teledyne	0.80	3.7	40 535
38¼	30⅞	TeleEspSA	1.44	4.6	61105
60	45⅞	Telmex ADR			5960
57½	50	Templeint	0.96	1.8	191308
24	21	TemplEmMk	3.90	18.0	171
9¼	8⅞	TemplGlob	0.84	9.0	208
9⅜	8⅞	TempGlFd x	0.84	9.3	1024
40½	31¼	Tenneco Inc	1.60	4.3	6 984
21⅝	19½	Teppco Ptn	2.20	10.5	16 128
20¼	13⅞	Teradyne			28 843
18½	12¾	Terex	0.06	0.4	4 47
8⅞	4⅝	Tesoro Pet			8 20
65⅝	56⅛	Texaco	3.20	5.4	123826
54½	52	Texaco C	3.73	7.1	7
22	19½	Texas Ind	0.20	1.0	87 38
40½	30	Texas Inst	0.72	2.2	11 849
23¼	18¾	Texas Pac	0.40	2.0	30 6
42	37	Texas Util	3.04	8.0	192587
10¼	9⅝	Texfi Pf	1.10	10.9	10
8½	4⅞	Texfi Inds	1.10	13.8	6 294
39⅞	33⅝	Textron	1.12	3.3	91823
6⅛	4⅛	Thackeray			20 10
9⅞	8⅜	Thai Cap			712
18⅞	13¼	Thai Fund	2.72	17.1	134
47½	37⅞	ThermoElec			21 468

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		- X - Y - Z -								
82¼	65½	Xerox	3.00	4.0	16	1448	74¼	72½	74¼	+⅞
53½	50½	Xerox4.125				2	52	52	52½	+½
28½	24⅞	Xtra 1.94	1.94	7.1		z100	27	27	27⅛	
37	28½	Xtra Corp	0.80	2.3	14	73	34½	34¼	34½	+¼
27	25¼	Yankee Egy	1.60	6.0	12	18	26⅝	26½	26½	
1½	½	Zapata			38	219	1⅞	1⅝	1⅝	
11⅛	7¼	ZenithElec			4	842	8½	8	8¼	-⅜
17¼	14½	Zenith Nat	1.00	6.2	7	33	16	15⅞	16	+⅛
6⅞	6	Zenix Inc	0.85	12.8		176	u6¾	6⅝	6⅝	
13¾	11⅛	Zero Corp	0.40	3.4	18	31	12	11⅞	11⅞	
38	32⅝	Zurn Ind	0.88	2.6	14	188	33⅝	32¾	33⅝	+⅞
14⅞	12¾	Zweig Fund x	1.16	9.0		244	13	12⅞	12⅞	-⅛
11	9⅞	Zweig Totl x	1.00	9.7		361	10½	10⅜	10⅜	-⅛

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4:00 pm prices April 13

NASDAQ NATIONAL MARKET

4:00 pm prices April 13

AMERICA

Dow ahead as Chemical cuts its prime rate

Wall Street

AFTER last week's dramatic fluctuations, business on US stock markets was relatively subdued yesterday, with the main indices posting modest gains in very light trading, *writes Patrick Harverson in New York.*

At the close the Dow Jones Industrial Average was up 14.53 at 3,269.90, its high for the day. The more broadly-based Standard & Poor's 500 finished up 1.82 at 406.09, while the Nasdaq composite of over-the-counter stocks firmed 3.91 to 588.15. Turnover on the NYSE was extremely low at 143m shares.

Concern about political turmoil in Russia, where the government submitted its resignation yesterday, surprise at Chemical Bank's decision to lower its prime lending rate from 6.5 per cent to 6.25 per cent, and a string of first quarter earnings reports pulled market sentiment in different directions during the morning session.

Trading was also conducted against the background of last week's unexpected easing of monetary policy by the Federal Reserve, which in just two days added 90 points to the Dow. Those gains were sustained yesterday by hopes that the Fed will soon ease again to inject life into the economy.

Among individual stocks, Goodyear jumped $2¼ to $70¾ after the group's chairman, Mr Stanley Gault, told shareholders that sales during the first quarter would be around $2.7bn, the highest in the company's history for the first three months of a year. Net income for the period would come in between $60m and $65m, a substantial improvement on the $90m loss incurred at the same stage a year ago.

Ford firmed $¼ to $40¼ in active trading after the car manufacturer announced plans *to invest almost $3bn in North* America over the next three years to design and build a new mini van, develop new engines for future light-duty trucks and expand an existing assembly plant for production of F-series trucks.

Among mostly firmer or steady bank stocks, Chemical eased $¼ to $31¼ after the group unexpectedly cut its main lending rate. The big banks usually change their rates simultaneously. Yesterday's rate cut by Chemical suggests that it expects further easing from the Fed and that it is trying to get a head start on its main rivals by offering cheaper funds to customers.

JP Morgan eased $1 to $54¼ despite reporting a 10 per cent increase in first quarter profits to $299m. The lack of reaction was due to discounting – the market had already bid the stock up in anticipation of strong earnings.

There was a stronger reaction to record first quarter profits at Primerica, which owns the securities house, Smith Barney. The stock rose *$¾ to $39½ in active trading.*

Canada

TORONTO share prices ended slightly higher in light dealings. Based on preliminary data, the composite index rose 13.19 points, or 0.39 per cent, to 3,389.83. Volume was 19.5m shares against 23.8m shares on Friday and trading value was C$178.4m against C$260.8m.

The metals and mining subgroup posted a 2.31 per cent gain on index. Financial services were up 1.18 per cent. Golds were up moderately.

SOUTH AFRICA

JOHANNESBURG closing indices were unavailable. At midday, the overall index was down 8 at 3,389 and the industrial index 18 lower at 4,202, depressed by the firmer financial rand and the sharp drop *in Tokyo.*

EUROPE

Russian cabinet resignation unsettles bourses

NEWS that the Russian government had offered its resignation to President Boris Yeltsin unsettled bourses yesterday, *writes Our Markets Staff.*

FRANKFURT began the session quietly, unperturbed by the overnight fall in Tokyo. The only element to excite dealers in early trading was press speculation that Daimler-Benz planned to increase its 1991 dividend. The group declined to comment, saying that a decision would be made later this month. The DAX index closed down 8.33 at 1,727.74 while the FAZ index, calculated at midsession, rose 0.16 to 706.63. Turnover fell to DM4.8bn from DM6.2bn.

Analysts said that Daimler was likely to increase its dividend, in the region of DM1 to DM13, but that this would be coupled with a rights issue. Daimler climbed to an intraday high of DM785.50 before the news from Russia sent the market broadly lower. Its shares closed just DM1.20 higher at DM779.20.

FT-SE Eurotrack 100 - Apr 13

Hourly changes							
Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1156.64	1157.00	1156.33	1153.19	1153.13	1152.12	1152.81	1153.23

Day's High 1157.99 Day's Low 1151.62

Apr 10	Apr 9	Apr 8	Apr 7	Apr 6
1155.74	1140.98	1143.45	1156.82	1155.59

Base value 1000 (26/10/90).

Other leading stocks affected by the Russian developments included Deutsche Bank which has one of the biggest exposures to debt from the former Soviet Union. It closed down DM6.50 at DM709. Siemens was DM4.2 lower at DM679.60, Schering declined DM8.20 to DM800 and Volkswagen was off DM5.3 at DM369.

PARIS fell back, the CAC-40 index losing 10.79 to 1,963.27 in light turnover of FFr1.62bn.

Euro Disney fell FFr1 to FFr139.90 in active trading of 775,550 shares after the opening of the theme park was hindered by a rail strike. A block of 100,000 shares was put through the market but the identity of the parties involved was hidden by a recent change in the trading system.

Alcatel was also active, falling FFr6 to FFr619 on profit-taking after last week's gains. There were concerns that Alcatel's earnings would not grow as strongly in 1992 compared with 1991. After the close, Alcatel said it planned to sell 2m existing shares via American Depositary Shares in the US.

LVMH dropped FFr116 to FFr4,373 on reports that the company had confirmed in a letter to shareholders that sales of its luxury items in Japan were slowing down.

STOCKHOLM closed lower in thin trading. The Affärsvärlden general index fell 5.2 to 970.4 as turnover declined to SKr339m from SKr568m.

Shares in Gota soared after its majority owner Trygg-Hansa unveiled a full bid for the banking group through a share swap. Gota A jumped SKr6 to SKr23 but Trygg-Hansa B free fell SKr11 to SKr79 as investors worried about the financial implications of Trygg-Hansa's involvement in Gota.

The construction and real estate index jumped 3.3 per cent on the weekend news that the government plans to scrap a tax on commercial real estate.

MILAN closed little changed in dull trading. The Comit index eased 0.37 to 500.79 in turnover estimated at less than Friday's L89bn. Most monthly call options, which expired yesterday, were not taken up.

Smaller stocks were active. Gemina, whose RCS Editore publishing unit reported a lower-than-expected L50bn in 1991 net profit, lost L10 to L1,165 while the engineering group Focchi rose L30 to L12,920 on news of a 50 per cent rise in net profit to L21.1bn.

ZURICH fell in late trading. The SMI index closed down 7.4 at 1,840.6.

The chemical sector was active: Roche certificates declined SFr30 to SFr3,110, while Ciba-Geigy, which reported a 17 per cent increase in first quarter group sales, saw its bearers lose SFr30 to SFr3,430 and certificates fall SFr10 to SFr3,450.

Banks were generally stronger: CS Holding bearers gained SFr45 to SFr1,990 and Union Bank added SFr100 to SFr3,890.

AMSTERDAM was barely changed in the absence of corporate news. The CBS Tendency index closed up 0.2 at 124.9 in turnover of Fl 426.6m.

An earthquake yesterday, which caused some devastation in northern Europe, had its epicentre near DSM's main chemical plant. However, the group reported that there was no damage to the facility and the shares rose 10 cents to Fl 107.60.

VNU, which said sales in 1992 so far showed little improvement from the previous year, slipped 80 cents to Fl 81.10. After the market closed it said that it was planning an expansion programme.

Other publishers were strong: Elsevier gained 70 cents to Fl 114.20 and Wolters Kluwer was up 80 cents at Fl 71.70.

Unilever was active with analysts noting a switch out of its UK shares into the Dutch paper. It closed Fl 2 ahead at Fl 184.20.

MADRID fell back after its strong performance last Friday. The general index fell 2.17 to 247.67 in low turnover of some Pta7bn. March inflation figures, in line with expectations, had little effect on sentiment. Union Fenosa was actively traded, falling Pta11 to Pta557, after a negative analysts meeting last week.

BRUSSELS closed flat in quiet trading. The Bel-20 index closed up 0.14 to 1,178.91 in low turnover of BFr550m.

ISTANBUL rose on selective buying. The index rose 41.86 to 4,027.64.

ASIA PACIFIC

Tokyo resumes its decline after Friday's brief rally

Tokyo

SHARE prices erased their initial gains as arbitrage-related selling emerged, and the Nikkei average, which had rallied on bargain-hunting last Friday, closed down 3.4 per cent, *writes Emiko Terazono in Tokyo.*

The 225-issue average lost 614.01 to 17,236.65. The index firmed in the morning, hitting the day's high of 17,938.38 on buying by dealers and investment trusts, heartened by last Friday's 7.6 per cent jump. However, small-lot arbitrage unwinding and profit-taking depressed the average to the day's low of 17,153.25 in the afternoon.

Volume fell to 280m shares from 380m. Declines narrowly led advances by 486 to 484 with 154 issues unchanged. The Topix index of all first section stocks declined 12.95 to 1,269.61. In London, *the ISE/Nikkei 50 index* declined 8.6 to 1018.97.

Traders said that last Friday's jump in the Nikkei was prompted by rumours that the ministry of finance had advised life insurers and trust banks to restrict lending of shares for short-selling purposes. Investors, who had sold bank shares short, rushed to buy back on fears of these lending restrictions.

Financials, which were sought in early trading, closed mixed. Industrial Bank of Japan rose Y50 to Y1,610, while Sumitomo Bank lost Y50 to Y1,290. Mr David Atkinson, financial analyst at Salomon Brothers in Tokyo, said since the average price-to-book ratios of the 11 Japanese commercial banks were currently at 177 per cent against the 1974-83 average of 175 per cent, Japanese bank shares were fairly valued. "They are are now internationally comparable," he added.

Construction stocks fell across the board as dealers, who were seen bargain-hunting earlier in the day, took their profits in the afternoon. Shimizu lost Y54 to Y996 and Nishimatsu Construction fell Y50 to Y1,010.

Sega Enterprises, the video game maker, fell by its daily limit of Y1,000 to Y8,950. Reports that the company has been ordered by a US federal district court to pay over $30m in damages for its alleged patent infringement on a colour display technology, discouraged investors.

High-technology issues, higher last week, fell on profit-taking. NEC lost Y16 to Y984 and Sony fell Y150 to Y4,080. Despite the overall market weakness, most industrial blue chips have remained above the mid-March lows, and analysts believe the share prices of leading manufacturing companies are bottoming out.

Some speculative stocks were sought by short-term players, and Nippon Carbon rose Y13 to Y551.

In Osaka, the OSE average lost 144.41 to 19,105.36 in volume of 10.4m shares.

Roundup

TOKYO'S renewed decline wiped out any early gains in the Pacific Rim.

HONG KONG finished lower on a lack of buying interest. The Hang Seng index closed down 31.97 at 4,889.14 after touching a day's high of 4,941.11 in the morning. Turnover fell to HK$1.5bn from HK$2.8bn. Most actively traded was HSBC Holdings which finished 25 cents higher at HK$39.50.

SEOUL ended slightly higher on rumours that the government and Hyundai Group were looking for some kind of compromise. The composite index rose 2.08 to 578.19 in turnover of Won200.5bn after Saturday's half-day Won164.8bn.

AUSTRALIA was unable to hold on to early gains and headed downwards as soon as Tokyo resumed its decline. The All-Ordinaries index closed 12 lower at 1570.1, above the day's low of 1,567, in turnover of A$212.2m. Government indications of an interest rate cut after the release of the March quarter consumer price data later this month failed to support the equity market, although credit markets rallied on the news.

SINGAPORE closed mostly lower in thin trading. The Straits Times Industrial index closed 7.06 lower at 1,373.86 in volume of 26.4m shares, down from 38.6m.

Interest centred on shares involved in a takeover bid for Malayan Credit. Cycle and Carriage and Hotel Properties, which are jointly trying to acquire Malayan Credit, rose 5 and 7 cents each to S$5.75 and S$1.81 respectively. Malayan Credit rose 8 cents to S$2.17, still below S$2.25 per share offered by Cycle and Carriage and Hotel Properties.

TAIWAN extended its early declines to finish lower on weak financials. The weighted index finished 82.18 or 1.8 per cent lower at 4,405.44 as turnover rose to T$18.96bn from T$13.2bn.

KUALA LUMPUR closed lower on a lack of follow-through support. The composite index fell 3.80 to 567.51, after an early high of 573.94.

NEW ZEALAND failed to build on early gains, closing only slightly up. The NZSE 40 index closed at 1,392.29, up 5.03, in low turnover of NZ$12m.

MANILA ended marginally higher in listless trading, due to a severe power shortage in the city. The composite index crept up 1.26 to 1,136.09.

BOMBAY fell ahead of a local holiday. The BSE Index fell 143.41 or 3.3 per cent to 4,163.02.

European markets vault on poll results

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US $ †
	1 Week	4 Weeks	1 Year	Start of 1992	Start of 1992	Start of 1992
Austria	-3.10	-5.04	-20.59	+7.74	+6.57	+0.47
Belgium	-0.88	-2.65	-4.87	+2.62	+1.38	-4.41
Denmark	-0.14	-5.42	-7.52	-7.99	-8.74	-13.96
Finland	-0.86	-8.11	-31.57	+3.41	+2.33	-3.52
France	+0.98	+1.34	+9.26	+11.74	+10.77	+4.43
Germany	+0.62	-0.03	+5.76	+10.14	+8.33	+2.12
Ireland	+5.04	-0.35	-5.31	+2.72	+2.26	-3.60
Italy	-1.68	-1.69	-13.83	+0.71	-0.47	-6.17
Netherlands	+1.30	+0.72	+6.28	+7.44	+5.65	-0.41
Norway	-1.97	-0.75	-15.29	+0.35	-0.68	-6.36
Spain	-0.15	-4.22	-6.84	+2.11	+2.48	-3.38
Sweden	+0.55	-0.15	-2.91	+9.16	+8.22	+2.04
Switzerland	+0.72	+2.75	+9.05	+9.54	+4.39	-1.58
UK	+7.92	+3.76	+1.34	+3.70	+3.70	-2.23
EUROPE	+3.43	+1.44	+1.67	+5.87	+4.93	-1.07
Australia	+1.26	+0.31	+9.46	-4.55	+1.70	-4.12
Hong Kong	+0.01	-3.14	+31.58	+15.33	+23.06	+16.02
Japan	-2.91	-12.22	-34.37	-25.56	-25.75	-29.98
Malaysia	-2.19	-5.03	-6.75	+1.53	+15.04	+8.46
New Zealand	-0.74	-4.69	-0.29	-9.85	-3.76	-9.26
Singapore	+0.10	-5.45	-3.57	-7.79	-4.04	-9.52
Canada	-0.20	-2.23	-3.95	-3.42	-0.15	-5.86
USA	+0.56	-0.69	+8.78	-3.06	+2.82	-3.06
Mexico	-4.17	-0.98	+104.07	+17.85	+23.91	+16.82
South Africa	-2.66	-3.85	+15.05	-1.80	-3.47	-8.99
WORLD INDEX	+0.34	-3.32	-7.51	-7.44	-5.23	-10.65

† Based on April 10th 1992. Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities

By John Pitt

A WEEK is a long time in politics and last week was no exception, with elections in Italy, Germany and the UK each having an impact on their respective markets. But Japan remained a dark shadow in the corner ready to spring yet another surprise.

Having slipped to a five-year low at the beginning of the week, Tokyo then fell even further before picking up 7.6 per cent on Friday. The effect on the FT Actuaries World Index, however, was partly offset by a stronger Wall Street, which was given a boost by a cut in the federal funds rate, and firm European bourses.

One of the exceptions to the positive sentiment in Europe was Austria. The resurgence of conflict in Yugoslavia and some bad corporate results depressed investors.

OMV, the oil group, came under pressure on concerns over its exposure to Libya, which faces the imposition of UN sanctions. Another market leader, Universale, the construction group, also fell back after reporting losses in its Venezuelan division.

Ireland was strong last week, although most of the gains came after the UK election results on Friday. However, a strike at the country's four main clearing banks, which appeared to be moving in favour of the employers, and better-than-expected results from Waterford Wedgwood, the crystal and ceramics group, also helped.

Mexico continued the previous week's decline as investors remained nervous following the postponment of talks on the North American Free Trade Agreement. Money was also being moved from equities into Treasury bonds after the raising of interest rates.

The UK market responded to the Conservative party's return to government with a rally on Friday that was the biggest rise in a single day since the market crash of October 1987. For the political pollsters, however, it was not a day for celebration – they had all got their forecasts wrong.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY APRIL 13 1992								FRIDAY APRIL 10 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992 High	1992 Low	Year ago (approx)
Australia (69)	143.35	-0.9	120.65	120.74	123.31	124.85	-0.9	4.42	144.64	121.56	121.46	123.02	126.02	153.68	140.94	137.15
Austria (19)	165.29	-1.2	139.11	139.22	142.18	141.67	+0.2	2.05	167.32	140.63	140.51	142.32	141.37	186.70	162.62	210.33
Belgium (46)	135.87	-1.5	114.35	114.43	116.87	114.09	-0.1	5.32	137.97	115.96	115.85	117.35	114.15	145.19	135.87	142.93
Canada (115)	128.63	+0.3	108.27	108.34	110.64	110.52	+0.3	3.32	128.31	107.84	107.74	109.13	110.24	142.12	125.75	138.79
Denmark (35)	230.30	+0.2	193.84	193.98	198.10	200.31	+1.4	1.85	229.86	193.19	193.03	195.51	197.51	273.94	226.81	245.76
Finland (15)	74.56	-0.9	62.75	62.80	64.13	70.23	+0.3	2.08	75.27	63.26	63.21	64.02	70.02	89.80	73.64	124.58
France (106)	154.72	-1.5	130.22	130.31	133.08	135.97	-0.5	3.39	157.11	132.05	131.93	133.62	136.66	159.16	148.08	141.52
Germany (65)	118.52	-1.1	99.75	99.84	101.94	101.94	+0.0	2.26	119.82	100.71	100.64	101.91	101.91	122.84	114.67	113.09
Hong Kong (55)	203.17	-0.7	171.00	171.12	174.76	201.70	-0.7	4.01	204.61	171.97	171.82	174.04	203.15	210.88	176.36	151.67
Ireland (16)	158.31	-2.1	133.24	133.34	136.17	137.99	-0.7	3.73	161.77	135.97	135.85	137.60	138.99	173.71	151.78	166.88
Italy (78)	69.79	-1.3	58.74	58.78	60.03	64.92	-0.3	3.55	70.74	59.46	59.40	60.17	65.13	80.86	68.92	81.92
Japan (473)	93.74	-1.4	78.90	78.95	80.64	78.95	-1.1	1.08	95.10	79.92	79.86	80.89	79.88	140.95	88.70	145.18
Malaysia (68)	229.88	-1.0	193.48	193.62	197.73	225.76	-0.9	2.83	232.31	195.25	195.08	197.59	227.89	250.18	212.49	234.68
Mexico (18)	1672.83	+2.9	1407.96	1409.01	1438.92	5606.74	+2.9	1.07	1625.23	1365.95	1364.81	1382.34	5451.20	1789.77	1376.91	855.90
Netherland (25)	151.45	-0.4	127.47	127.57	130.28	128.78	+0.7	4.32	152.06	127.81	127.70	129.34	127.95	156.48	147.88	149.99
New Zealand (14)	42.91	+0.7	36.11	36.14	36.91	41.79	+0.4	6.59	42.63	35.83	35.80	36.26	41.62	48.52	42.01	48.88
Norway (23)	164.67	-1.6	138.60	138.70	141.65	144.33	-0.6	1.77	167.42	140.71	140.60	142.40	145.26	192.95	161.26	197.22
Singapore (38)	197.23	-0.8	166.00	166.12	169.65	150.60	-0.4	2.18	198.76	167.05	166.91	169.05	151.22	228.43	192.76	197.14
South Africa (61)	227.56	+0.5	191.53	191.67	195.73	169.18	-0.4	2.98	226.52	190.38	190.22	192.66	169.87	263.60	203.16	204.29
Spain (50)	148.10	-2.0	124.65	124.75	127.39	115.90	-0.9	5.20	151.12	127.01	126.91	128.53	117.00	160.47	146.86	163.94
Sweden (25)	181.62	-1.7	152.87	152.98	156.23	160.25	-1.2	2.82	184.83	155.34	155.22	157.21	162.25	190.37	173.09	189.54
Switzerland (60)	97.33	-1.5	81.92	81.99	83.73	92.05	-0.3	2.32	98.78	83.02	82.96	84.03	92.35	104.22	95.99	96.70
United Kingdom (228)	182.29	+0.6	153.43	153.53	156.79	153.43	+0.7	4.86	181.20	152.29	152.15	154.11	152.29	186.29	165.85	182.78
USA (523)	165.42	+0.5	139.23	139.34	142.30	165.42	+0.5	2.98	164.68	138.41	138.30	140.07	164.68	171.66	160.92	154.46
Europe (791)	145.41	-0.5	122.39	122.48	125.08	124.62	+0.2	3.94	146.11	122.80	122.70	124.28	124.36	150.58	139.31	145.40
Nordic (98)	170.15	-0.9	143.21	143.32	146.36	143.86	+0.0	2.26	171.63	144.25	144.13	145.98	143.82	188.52	169.66	184.87
Pacific Basin (717)	99.29	-1.3	83.57	83.63	85.41	84.09	-1.1	1.50	100.63	84.58	84.51	85.59	85.01	141.97	94.40	144.70
Euro-Pacific (1508)	117.92	-0.9	99.25	99.32	101.43	100.77	-0.4	2.70	119.01	100.03	99.94	101.22	101.23	145.21	113.80	145.34
North America (638)	163.10	+0.4	137.28	137.40	140.32	161.69	+0.4	3.00	162.38	136.48	136.38	138.14	160.97	169.69	158.70	153.41
Europe Ex. UK (563)	123.28	-1.3	103.76	103.85	106.06	107.91	-0.2	3.25	124.87	104.95	104.88	106.23	108.11	129.79	121.81	122.87
Pacific Ex. Japan (244)	153.95	-0.8	129.58	129.69	132.44	136.75	-0.8	3.98	155.15	130.40	130.31	131.98	137.79	158.33	149.00	138.13
World Ex. US (1702)	120.53	-0.8	101.44	101.53	103.68	103.14	-0.4	2.71	121.50	102.12	102.04	103.35	103.54	146.91	116.45	146.12
World Ex. UK (1997)	130.27	-0.4	109.65	109.73	112.07	119.19	-0.1	2.56	130.80	109.93	109.85	111.26	119.36	150.58	127.21	144.41
World Ex. So. Af. (2164)	134.15	-0.3	112.91	113.01	115.40	121.96	+0.0	2.82	134.55	113.09	113.00	114.45	122.01	153.05	130.04	147.49
World Ex. Japan (1752)	157.62	+0.1	132.66	132.78	135.60	147.35	+0.3	3.36	157.51	132.38	132.28	133.99	146.91	161.90	153.20	150.65
The World Index (2225)	134.76	-0.3	113.42	113.51	115.92	122.38	+0.0	2.82	135.15	113.59	113.50	114.96	122.44	153.70	130.66	147.82